

Herald Tribune

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THE WEATHER — PARIS: Tuesday, rain, Temp. 6-11 (C) ... LONDON: Tuesday, rain, Temp. 5-9 (41-48) ... NEW YORK: Tuesday, rain, Temp. 5-9 (41-48) ...

Table of exchange rates for various countries including Algeria, Austria, Bahrain, Belgium, Canada, Cyprus, Denmark, Egypt, Finland, France, Germany, Greece, Iceland, India, Israel, Italy, Japan, Jordan, Kuwait, Lebanon, Libya, Luxembourg, Malaysia, Mexico, Morocco, Netherlands, Norway, Oman, Pakistan, Portugal, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, U.S.A., U.S.M., U.S.S.R., U.K., Yugoslavia, and Zaire.

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PARIS, TUESDAY, OCTOBER 27, 1981

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4 Soviet Aides Express Distrust of U.S.

Party Officials Pessimistic Over Reagan and 'Hollywood Ideas of War'

By Howard Simons and Dusko Doder
WASHINGTON Post Service
MOSCOW — Ranking Soviet officials are deeply pessimistic about the Reagan administration and see no hope for any improvement soon in U.S.-Soviet relations.

go and the new U.S. eagerness to sell even more grain to the Soviet Union. But aside from these peripheral policies, the Americans have become, as one official put it, "dangerous for the world because of their lack of war experience."



Egyptian Foreign Minister Kamal Hassan Ali, left, was greeted by Israeli Defense Minister Ariel Sharon on his arrival in Tel Aviv.

Egypt, Israel to Try To Reach Accord on West Bank Councils

By David K. Shipler
New York Times Service

JERUSALEM — Prime Minister Menachem Begin said Monday that Israel and Egypt would try for a breakthrough in the stalled talks on Palestinian self-administration by concentrating their negotiations on the elections, structures and powers of Palestinian councils to be established in the Israeli-occupied Gaza Strip and West Bank.



Arthur A. Hartman, flanked by two Soviet military officers, reads his letter of accreditation at the Kremlin as the new U.S. envoy to Moscow. Behind him is a delegation from the U.S. Embassy.

U.S. Envoy Delivers Blunt Speech As He Takes Up Post in Moscow

By Serge Schmemmann
New York Times Service

MOSCOW — Arthur A. Hartman presented his credentials Monday as the 17th U.S. ambassador to Moscow and in a statement prepared for the occasion urged the Soviet Union to review its actions and policies in Afghanistan, Africa, Southeast Asia and elsewhere.

Papandreou Denies Any Intention To Close U.S. Bases Unilaterally

By Warren Brown
Washington Post Service

WASHINGTON — Greek Premier Andreas Papandreou says he does not intend to shut down unilaterally U.S. military bases in his country, but will seek negotiations with U.S. officials early next year on the status of the bases.

White House Counts 'Fall Offensive' Casualties

Reagan Advisers Wonder Why Reaction to Policies Took Turn for Worse

WASHINGTON — The senior presidential adviser, a veteran of those heady, in-house debates when the confidently entitled "Fall Offensive" was planned, sat pondering the strategy and policy casualties it has produced so far.

INSIDE Air Fare Fights

Signs of unrest at the International Air Transport Association's annual meeting foreshadow a fight over European air fare deregulation, Page 2.

Kickback Scandal

If federal prosecutors are correct, the largest kickback scandal in U.S. history is unraveling in Oklahoma. Article, Page 4. Comic strip, Page 14.



Planned Polish Strike Called Security Threat

By John Darnton
New York Times Service

WARSAW — Poland's political authorities charged Monday night that a one-hour national strike set by the independent union Solidarity for Wednesday was a threat to the security of the country.



A common sight in Poland, vehicles line up in Warsaw waiting for gasoline.

Ceausescu Joins Plea Over Arms

Appeal Directed At Russia, U.S.

By Bradley Graham
Washington Post Service

BONN — President Nicolae Ceausescu of Romania, joining the appeal for nuclear disarmament in Europe, was quoted Monday as calling on the Soviet Union and United States to remove nuclear weapons from Europe.

A Communist-led rally plunges France into the arms debate, Page 2.

Mr. Ceausescu told the Frankfurt Rundschau. He also urged a halt in production of the neutron weapon and repeated the same line to the Hamburg weekly Die Zeit.

Often a maverick in the East bloc on foreign and defense policy, Mr. Ceausescu appeared to be setting himself apart once again from the Soviet Union, which has held that its SS-20 missiles already being deployed against Western Europe are necessary to re-establish East-West parity.

Mr. Ceausescu's balanced appeal for reductions in East and West can be welcomed by Western officials, particularly in West Germany and the Netherlands, where there is still some hope that the new U.S. medium-range nuclear missiles can be made unnecessary by a Soviet scale-down.

The interviews, which received wide attention in West Germany, were clearly timed for the start Monday of an official state visit to Romania by President Carl Carstens of West Germany.

Bush Seeks to Calm Europeans

WASHINGTON (AP) — Vice President Bush said Monday that worried Europeans should stop "listening to the alarmists" because the United States intends to "negotiate a reduction of nuclear forces."

"This administration intends to work for a meaningful, verifiable, reduction of nuclear arms throughout the world," Mr. Bush said in remarks prepared for a group of European financiers and apparently in response to recent anti-nuclear demonstrations in Europe.

At the White House, the highest levels, they have reached the conclusion that they just do not have confidence in the economic advice they are getting," said a Senate Republican source.

These concerns, he said, include the advice given by Murray L. Weidenbaum, chairman of the president's Council of Economic Advisers, and Treasury Secretary Donald T. Regan, among others.

"They really do not feel they have any real economic advice that the president has any real confidence in."

In the White House, influence tends to ebb and flow and right now, presidential aides say, it seems to be flowing in the direction of James A. Baker 3d, the chief of staff.

Partly because of the nature of the problems they face, and partly because of the quality of the second-level staffing, Mr. Baker appears to others in the White House to be exercising a greater influence in the shaping of policy. As originally chartered, Mr. Baker is in charge of all White House operations as well as the selling of Reagan policies in Congress, in the media, and in all public liaison efforts.

Counselor Edwin Meese 3d is in charge of all policy formulation, presiding over the Cabinet government operations.

What is happening now is that (Continued on Page 3, Col. 1)

LATA Meeting Debates Deregulation of Fares For Atlantic Routes

By Axel Krause
International Herald Tribune

CANNES, France — Foreboding a likely clash among Common Market countries over Western airline practices, French Transport Minister Charles Fiterman told an industry gathering in Cannes on Monday that he opposed efforts to launch U.S.-style deregulation of air fares and related industry practices. Such moves were proposed by Britain and to a lesser degree by the commission of the European Economic Community.

Addressing 300 delegates to the annual meeting of the International Air Transport Association, Mr. Fiterman presented the first detailed position of the French government on airline deregulation. In addition, he set the stage for a meeting of EEC transport ministers scheduled for Dec. 15 that will discuss the deregulation proposals. French and EEC sources predicted that the meeting would be stormy.

"Mr. Fiterman has fired the opening shot in the ongoing battle," a senior IATA official said, noting that his views were "very close" to those of the airline industry and in particular those of IATA president Pierre Giraudet, who also is head of Air France. Mr. Giraudet urged that European governments and the United States develop new policies aimed at what he termed "organized competition," both within Europe and on the North Atlantic routes.

Bleak Industry Reports

The statements came amid bleak industry reports that losses are increasing among IATA's 113 member airlines, that growth in international air traffic this year will not exceed last year's growth of 4 percent and that prospects of growing deregulation were a major obstacle to profitability.

"Key markets have changed drastically through de facto or de jure deregulation, while tariff increases have not been allowed to keep pace with the costs," Knut Hammarskjold, IATA's director-general, told the meeting Monday. He also proposed a conference to "rationalize" North Atlantic air fares.

Mr. Fiterman, acknowledging difficulties such as international monetary "disorder," said that the advantages of slashing fares to air-line customers were tied to what is simply no alternative.

Warsaw Calls Planned Strike Threat to Nation's Security

(Continued from Page 1)

In announcing the deployment of military teams Friday, Jerzy Urban, the government spokesman, said that their main duty would be to signal to all negative phenomena, to oppose them and give indispensable assistance to society and local authorities in order to ensure the constitutional order and that the law is observed.

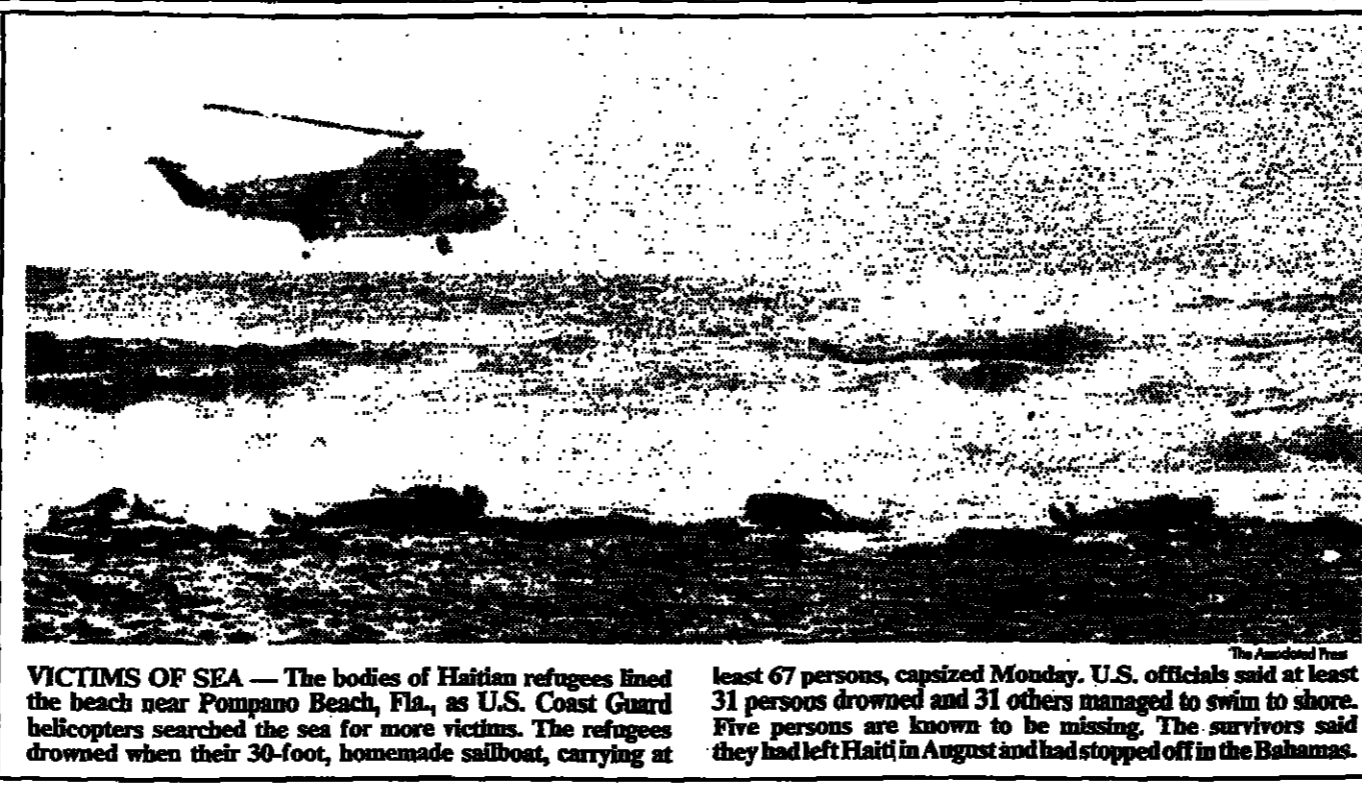
This raised the possibility that the units could be used as an informal network to keep the central authorities apprised of the political fever in the countryside, and also as enforcement teams to crack down on such things as the dissemination of anti-Soviet literature.

The statement setting down the government's uncompromising line toward Wednesday's strike was issued after a meeting of the leaders of the National Unity Front, the grouping of three legal political parties, dominated by the Communists, that draws up lists of candidates for parliament.

Among those attending the meeting was Gen. Wojciech Jaruzelski, the premier, who has just been named new party leader, and Kazimierz Barcikowski, a ranking Politburo member.

The government's opposition to the strike appears more political than economic, since a one-hour stoppage would not cause much harm to the country's economy. Also for political reasons — to keep the respect of its militant leaders — the union is not likely to call it off.

In another sign of a new tough attitude, the police, the police criminal division said on television Monday that a number of preparatory proceedings were under way against persons charged with anti-state or anti-Soviet activities. On Sunday the public prosecutor's office said that seven members of Solidarity were charged with such crimes.



VICTIMS OF SEA — The bodies of Haitian refugees lined the beach near Pompano Beach, Fla., as U.S. Coast Guard helicopters searched the sea for more victims. The refugees drowned when their 30-foot, homemade sailboat, carrying at least 67 persons, capsized Monday. U.S. officials said at least 31 persons drowned and 31 others managed to swim to shore. Five persons are known to be missing. The survivors said they had left Haiti in August and had stopped off in the Bahamas.

West's Rearmament Becomes Issue in France

By Joseph Fitchett
International Herald Tribune

PARIS — France, previously untouched by the spreading anti-nuclear movement in many European countries, has plunged into the international debate about Western rearmament policy, according to diplomats and French officials analyzing a Communist-led disarmament demonstration Sunday that brought more than 50,000 people to a Paris rally.

This challenge to the strong pro-NATO policies of President Francois Mitterrand, they said, reflects the French Communist desire to recover some political initiative without breaking their coalition pact with the ruling Socialists. The Communist Party's initiative, they added, coincides with signs that the Soviet Union is concerned over Mr. Mitterrand's active role in the East-West nuclear-weapons debate.

The size of the disarmament demonstration — small compared to other European cities, but large for France — suggests there might be political leverage against Mr. Mitterrand on the arms issue.

Until now, it has been widely accepted that disarmament was not an emotional issue in France because of an unquestioning national and nationalistic consensus about the need for strong defense.

Mr. Mitterrand himself has outspoken views — which parallel the Reagan administration's convictions — about the need for improved Western nuclear security. He has defended the U.S. strategic arms build-up, urged other European countries to install new U.S. missiles and criticized neutralist or pacifist trends in West Germany and Britain.

France does not participate in NATO nuclear programs, so it is not a candidate for the new U.S. missiles and modern warheads. But it has its own nuclear weapons program, including development of the controversial neutron warhead.

Mr. Mitterrand's support — in contrast to previous French leaders' reluctance to offend Moscow by speaking out on NATO issues — has helped the Reagan administration and West German Chancellor Helmut Schmidt, who has reciprocated by supporting the value of the French franc.

Mr. Mitterrand may pay a political price, however, for assuming an international role and thereby changing the unwritten rules of French nuclear debate. Under Gaullist governments, nuclear arms were treated entirely as a national asset, defending France and keeping it free from the superpowers.

In Sunday's demonstrations, French Communists were careful to attack U.S. nuclear plans without mentioning similar French arms. But a Communist leader acknowledged privately, if the movement snowballed it could affect the defense consensus in France, where opinion polls have suggested significant pacifist sentiment.

The ruling Socialists, who have a cautious, pragmatic approach to disarmament, believe the Communist bid will founder in France. Many analysts stress that pacifism has greater moralistic resonance in Protestant countries than in Catholic societies. Another argument for French immunity to disarmament slogans is that the Gaullist tradition of French national independence has imbued a sense of nuclear responsibility in the nation.

But the Communist bid has reinforced the Socialists' fears of European neutralism, and Socialist leaders — especially irritated because Sunday's Communist demonstration was timed to distract attention from their national party congress — immediately counterattacked from the congress platform.

The Socialist Party's first secretary, Lionel Jospin, criticized the Party rally — which was organized by the Movement for Peace — for one-sidedly denouncing U.S. weapons while minimizing the Soviet threat to Europe.

"The SS-20 is an immediate, direct threat to Europe, which must be removed," he said, as he repeated the Socialist view that a Western build-up is an essential precondition for obtaining any Soviet concessions.

Need for Negotiation

Mr. Mitterrand, in recent weeks, has begun to stress the need for negotiation on nuclear weapons in Europe and on strategic nuclear forces. But, a French official said, this is designed to convince Washington to provide diplomatic balance in the Western position. It is not, he said, a change.

Mr. Mitterrand's Socialist Party boycotted the Paris demonstration, which marched with anti-American banners and the slogan "No Pershing, No SS-20." Although this slogan — implying Soviet withdrawal of its missiles and cancellation of the U.S. Pershing program — is theoretically acceptable to NATO, it is often interpreted by leftists as meaning simply a freeze on new Soviet SS-20s, leaving in place a large existing force.

Afterwards, Vadim Zagladin, a Soviet Communist Party Central Committee member with wide European contacts, acknowledged differences between France and the Soviet Union. But, he said in an interview, France is moving closer to the Soviet contention that the SS-20 missiles have not altered the rough East-West nuclear balance in Europe.

Plans for Future

They said that Romania is also facing serious economic difficulties but noted that a summit meeting of Warsaw Pact leaders is being prepared to discuss ways to create a Common Market-type organization to include free flow of labor and capital and to adjust the systems of price formation and economic management.

"All that is before us," an official said. "They said that plans were under way to 'restructure the entire economic mechanism' in the Soviet Union. 'It cannot operate the way it used to operate 10 or 15 years ago,' an official said.

NEWS ANALYSIS

cause of an unquestioning national and nationalistic consensus about the need for strong defense.

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WORLD NEWS BRIEFS

Iran Hostage Suit Dismissed in U.S.

LOS ANGELES — A federal judge Monday dismissed a \$5-million damage suit brought by 15 former Iranian hostages against the governments of Iran and the United States stemming from their 444 days of captivity in Tehran.

U.S. District Court Judge William Gray, upholding former President Jimmy Carter's agreement with Iran last January under which the hostages were released, granted a motion by the U.S. government to dismiss the case. James Davis, the hostage's attorney, said he would appeal.

The hostages contended the \$12.50 per day provided by the U.S. government as compensation for their ordeal was not sufficient, and they challenged the executive agreement reached with Iran.

Turkish Junta Shuts Leading Paper

ISTANBUL — Turkey's military authorities closed the country's leading rightist newspaper, *Tercuman*, indefinitely Monday after articles appeared criticizing the recent decision to dissolve all political parties.

A martial law spokesman said *Tercuman*, which is Turkey's third largest newspaper with a circulation of 540,000, had been ordered to cease publication until further notice.

He gave no reason for the closure, but press sources in Istanbul said it was prompted by articles Saturday and Sunday by the chief editorial writer, Nazli Ilıcak, the wife of the paper's owner. She criticized the decision to bar former politicians from a consultative assembly formed by the ruling military junta last week and the dissolution of all political parties by the military 10 days ago.

BBC Acts on Foreign Programming

LONDON — Britain's Conservative government, fearing a trough among rank-and-file legislators, on Monday revived four of the seven British Broadcasting Corp. foreign language services due to be silenced in a cost-cutting measure.

BBC broadcasts in Somali, Burmese, Portuguese to Brazil and French to Europe will remain, although the transmissions in Portuguese and French will be halved from their current 16 hours a week, Foreign Office Minister Richard Luce told the House of Commons.

The BBC's Spanish transmissions to Europe and its entire services in Italian and Maltese will be abandoned as previously announced, Mr. Luce said.

Changes Urged in EEC Farm Policy

LUXEMBOURG — The European Commission, under pressure from cost-cutting member governments, Monday proposed sweeping new changes in its agriculture benefits program to reduce the cost of the European Economic Community's multi-billion-dollar farm policies.

"The member states wanted us to put an end to all this budgetary hoo ha," Commission President Gaston Thorn said after he presented the proposals to a meeting of the 10 EEC foreign ministers.

The proposals, under study for more than a year, would cut benefits now being paid to 8.5 million farmers in the member countries, without destroying the EEC's 23-year-old agriculture policy. Instead of automatically paying subsidies for production, no matter how high surpluses grew, the EEC would establish output targets in line with consumption requirements and penalize farmers who exceed the targets.

Mufti Said to Advise Sadat Assassins

CAIRO — Muslim fanatics assassinated President Sadat and launched other terrorist attacks after receiving special dispensation from a blind religious leader, a semi-official Cairo weekly reported Monday.

Mayo, the paper of the ruling National Democratic Party, identified the leader as Omar Mohammed Abdel Rahman. He was among nearly 400 Muslim extremists arrested after the Oct. 6 assassination, it said. Diplomatic sources have said that more than 1,500 people have been detained by police.

The newspaper said Mr. Rahman was the mufti, or official interpreter of Islamic law, for the underground Muslim sect called Takfir wa-Hijra (Repentance and Holy Flight). The group was also blamed for violence in the northern Egyptian city of Asyut, where at least 118 persons were killed following the assassination, police sources said.

West Distributes Namibia Proposal

WINDHOEK, South-West Africa — A Western proposal to achieve independence for this South African-ruled territory was distributed Monday and called for the election of a constitutional assembly but set no timetable.

The proposal, distributed by Canadian Ambassador Robert Middleton to local political leaders, also calls for basic democratic freedoms for all people, political groups and trade unions. In Johannesburg, South African Foreign Minister R.F. Botha said he was encouraged by the proposal drafted by the so-called contact group of five Western nations — the United States, Canada, West Germany, France and Britain — but he did not elaborate.

Distribution of the proposal was in preparation for talks Wednesday and Thursday between contact group delegates, led by U.S. Assistant Secretary of State Chester A. Crocker, and leaders of local political parties, including Dirk Mudge, the white leader of the Democratic Turnhalle Alliance backed by South Africa.

1 Killed, 20 Hurt in Beirut Blast

BEIRUT — A car bomb packed with steel nails exploded Monday on a residential lane in Christian east Beirut. Police said one person was killed and 20 were wounded.

It was the first bombing in the Christian sector of the divided city in six weeks, and many residents feared it signaled another round of fighting between rival militias in half-Christian, half-Muslim Lebanon.

That fear was bolstered later in the day by an unidentified caller to a Western news agency who vowed revenge for Monday's blast "with a more violent explosion." The bomb set 17 cars ablaze and shattered windows and scattered debris over a five-square-block area.

Explosives Expert Dies In a London IRA Blast

LONDON — A bomb planted by the IRA exploded in a fast food chain restaurant in central London Monday, killing a civilian explosives expert.

A Scotland Yard official said a parcel bomb wrecked the Wimpy hamburger bar in Oxford Street shortly before 4 p.m. The victim was identified as Kenneth R. Howarth, 49, a former army demolitions expert who was sent to defuse the bomb. There were no other injuries.

Major streets in the area were cordoned off as the evening rush hour began. Two nearby subway stations were closed. Nearby shops were evacuated by police. Central London traffic was described as chaotic.

The IRA leadership issued a statement in Belfast saying it was responsible for the blast. "Let the British people take note," it said. "In future when we give warnings, respect them."

A caller with an Irish accent who said he was from the IRA telephoned bomb warnings to a news agency an hour before the explosion. The police were clearing the area when the bomb went off.

Another bomb was found by dogs in a nearby department store and defused, a fire brigade spokesman said. Nothing was found in a second department store next door to the Wimpy bar.

A company spokesman said 150 customers and 27 employees were evacuated from the restaurant without incident when the warning was given. Thousands of shoppers, including many children who had just begun a brief school vacation, hurried away when po-

West Germany, Egypt Sign Pact on A-Energy

BONN — West German and Egyptian officials signed a treaty on Monday on cooperative research and development of nuclear energy, officials said.

Egypt signed similar agreements on the peaceful uses of nuclear energy with France and the United States, the spokesman said. The agreement opens the way for German participation in the construction of two nuclear power plants.

Irish TV Coverage Cited

LONDON (AP) — Television coverage of street violence in Northern Ireland was the main influence behind last summer's urban rioting in England, according to a report published Monday.

Rioters who battled police in London, Manchester, Liverpool and other cities copied TV scenes filmed by the Center for Contemporary Studies by its chairman, former opposition Labor party legislator Eric Mowbray.

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Baker Sees Chance of Preventing Defeat on AWACS Vote in Senate

By Charles Mohr
New York Times Service

WASHINGTON — Sen. Howard H. Baker Jr., the majority leader of the Senate, said he does not envision any important change in the terms and conditions of the proposed sale of AWACS aircraft to Saudi Arabia. He added, however, that he believed it was still possible to prevent defeat for the proposal when the Senate votes Wednesday.

The Tennessee Republican's remarks, made during an appearance on a television news interview, seemed to confirm statements by administration officials that no effort was made to deepen or to renegotiate the terms of the \$8.5-billion sale of the Airborne Warning and Control System planes and other air-combat equipment when President Reagan met Friday in Cancun, Mexico, with Crown Prince Fahd, the administrative head of the Saudi Arabian government.

Some senators, including Republicans who had indicated they might consider switching from opposition to support of the sale, had said they would be influenced by any modification in the outright Saudi control and ownership of the AWACS aircraft, which is an important element of the present proposal.

The House of Representatives has already voted overwhelmingly to disapprove of the sale. Mr. Baker said during the televised interview that he expected some senators now on record as opposing the AWACS sale to switch and to support the president on Wednesday. However, the leaders of the opposition also believe that such switching is likely and have said so for the last few weeks. The net exchange of votes is the critical question, they argue.

Walter F. Mondale, the former vice president, said on another television news show that he believed "it would be a wise move"

for Mr. Reagan to withdraw the proposal before a Senate vote "in order to avoid an embarrassment."

Reagan Meets With Senators

WASHINGTON (AP) — President Reagan began meeting Monday with senators opposed or uncommitted to the AWACS sale to Saudi Arabia in a last-ditch effort to save the deal from a congressional veto Wednesday.

But the White House sessions had barely begun when Sen. Patrick Leahy, previously uncommitted, took the Senate floor to announce his opposition to the sale. The Vermont Democrat's announcement raised to 53 the number of senators declared against the sale, according to the latest Associated Press count, which also has two more senators leaning against it and 37 committed or leaning in favor of it.

Mr. Reagan set aside almost two hours Monday to meet individually with three Republicans against



Sen. Howard H. Baker Jr.

the sale and two others who are uncommitted. In the afternoon, he was scheduled to meet with another Republican and a Democrat listed as being against the sale.

The president is also expected to see as many as a dozen more senators on Tuesday and Wednesday.

U.S. Video Piracy Ruling Is Seen as a Milestone

By Philip Shenon
New York Times Service

WASHINGTON — In San Francisco last week, a U.S. appellate court ruled that the three million Americans who own home videotape recorders are little more than modern-day pirates. While recorder owners need not walk the magnetic-tape plank, the U.S. Court of Appeals for the Ninth Circuit declared, they can no longer use the machines for recording — pirating — copyrighted television programs.

No one yet knows how the court's decision could be enforced, or whether it will survive threatened legislative attack and a likely Supreme Court review. But it is generally agreed that the ruling was the most important victory in years for those who have fought to preserve the value of the nation's copyright law. That value has been jeopardized by the titanic growth of what scientists call "reprography," the technology of mechanical reproduction.

A number of the nation's leading scholars of copyright jurisprudence pronounced the San Francisco decision a legal milestone.

The chief defendant in the California suit was the Sony Corp. As the first major marketer of home recorders in the United States, Sony was chosen to represent all other video-recorder makers in the test case filed in 1976 by Universal City Studios and Walt Disney Productions. The filmmakers charged that Sony knew that its recorders would be used for unauthorized taping of television shows and films, including those produced by the two studios. Sony, they said, was therefore responsible for resulting copyright infringements.

The appeals court agreed with the studios, removing what had appeared to be an unwritten exclusion of in-home duplication from copyright laws. If the decision stands, it is likely that a special royalty fee will be added to the sales price of video recorders or blank videotape cassettes or both. The program owners would then be paid from the royalty pool.

Copyright Owners

Copyright owners were clearly encouraged by the ruling; the recording industry is now considering copyright test cases of its own. But the copyright owners know that the largest battle has just begun, in the midst of a reproduction revolution.

With photography, film, videotape, audiotape recorders and photocopyers, the average American has been given the ability to violate the copyright laws quickly, cheaply and privately. Compounding the problem are the many new methods of storing and distributing information: Computer software, microprocessors, cable television, satellite transmission, microfilm, holography.

In some industries, copyright infringement is epidemic. The American film industry has estimated

that illegal duplication of movies, addressed in the Sony lawsuit, will be a \$100-million business in 1981. The \$4-billion recording industry reported that it will lose more than \$600 million this year to record piracy.

Arthur J. Levine, a Washington

These included creation of a royalty plan for cable system broadcast of copyrighted programming from distant television stations.

Last year, copyright protection was extended to computer programs. Earlier this month, a House Judiciary subcommittee approved a bill that would stiffen the penalties for film piracy and the subcommittee has scheduled hearings for late October on legislation that would broaden copyright protection for artists and performers. But many observers are still concerned that soon the lag between technology and copyright law will become so great that Capitol Hill might never again catch up.

That worries industry, which has greatly enlarged its effort to foil copyright pirates. Broadcasters, for example, are hard at work trying to come up with "spoiler" systems that would make impossible the recording of television programming off the screen. But every time the technology to prevent copyright piracy is improved, the pirates become more resourceful, said a federal copyright attorney.

In 1975, the Motion Picture Association of America created an anti-piracy division to combat illegal duplication of American films. With an annual budget of more than \$1 million, the program now employs six former FBI agents and maintains offices in Hong Kong, London and Johannesburg. But despite the effort, few copyright pirates are caught.

While Mr. Bouras was delighted with the appeals court decision against Sony, he said that unless other, equally dramatic efforts to control copyright infringement follow, the copyright system may be doomed.

White House Counts 'Fall Offensive' Casualties

(Continued from Page 1)

The major Reagan policies — budget, tax, AWACS (Airborne Warning and Control Systems) aircraft — that the White House would like to sell to Saudi Arabia — have been shaped, sent to Capitol Hill, and have run into trouble. And at the White House now the most crucial meetings have become those of the legislative strategy group, which meets in Mr. Baker's office.

That is where the compromises are most often discussed, and that is where the modified Reagan policies are being shaped. It is still all very collegial: Mr. Meese sits in on virtually every legislative strategy session, and one does not make a major move without consulting with the others, aides said.

Considerable Voice

But it is Mr. Baker who journeys to Capitol Hill to negotiate with Republican leaders to work out the crucial details of the budget and tax and AWACS compromises.

Mr. Baker has always had a considerable voice in the shaping of

policy, but those within the White House said that in the last couple of months, he has assumed a more forceful role, beginning with his decision to argue vigorously (but not victoriously, it turned out) along with Office of Management and Budget Director David A. Stockman, that larger military cuts were needed to make the new budget package credible and to win congressional approval.

Mr. Meese is as strong, able and valuable to the president as ever, being especially attuned to the needs of his longtime boss, Ronald Reagan. But his subordinate aides are not as strong and efficient as are Mr. Baker's, according to other White House officials and Republicans in Congress with close ties to the White House.

Included in this assessment of Mr. Meese's assistants are men who are themselves figures of considerable rank: Martin Anderson, assistant to the president for policy development, and Richard V. Allen, assistant to the president for national security.

But the administration's dominant official in domestic policy formulation is not Mr. Meese, nor Mr. Baker nor Mr. Anderson, as others on the White House staff see it, but Mr. Stockman. In these times of the "hunker mentality," they say, he has become especially valuable in sorting out alternate ways of matching cuts and revenues.

Within the White House senior command, there is one other realization of just what has caused the current serious straits. And perhaps it is the most important realization of all.

The president and his advisers had assumed that their biggest battles would be their intramural ones — such as that epic struggle over military spending that pitted Mr. Baker and Mr. Stockman against Defense Secretary Caspar W. Weinberger and, as it turned out, the president.

So, even when the president could not bring himself to make significant cuts in the military budget, the top White House officials felt confident that the communicator in chief would somehow be able to sell it to the nation and the Congress. "We made one major miscalculation," said a senior presidential adviser. "We didn't realize that this time around no one would be willing to even work from our blueprints."

A president's channel of leadership is broad but never deep. And the Reagan officials have come to see that by handing a Republican-dominated Congress a second huge package of politically unpalatable domestic budget cuts, the president in effect surrendered the initiative in the shaping of the budget.

Just a month or two ago, the Reagan advisers had figured that this would be the height of what they called their "Fall Offensive." But at a meeting in the White House the other day, one of the president's most senior advisers suggested to his colleagues that perhaps a new title is in order now. "Perhaps," he said, "this period should become known as 'The Education of Ronald Reagan.'"

Curt Stern, 79, Geneticist, Expert In Radiation, Dies

United Press International

SACRAMENTO — Curt Stern, 79, a German-born geneticist who pioneered research on the effects of radiation on living organisms, died Saturday. Dr. Stern was professor emeritus of zoology and genetics at the University of California, Berkeley.

During World War II, he was associated with the biomedical research unit of the Manhattan Project, which developed the atomic bomb. There, he demonstrated that even low doses of radiation produced mutations in fruit flies. His best-known work, "The Principles of Human Genetics" was the most used text in the field for two decades.

John Cecil Holm

NEW YORK (NYT) — John Cecil Holm, 76, a Broadway actor and playwright best remembered as the co-author with George Abbott of the 1935 comedy hit, "Three Men on a Horse," died Saturday. Mr. Holm also wrote the book for "Best Foot Forward," a musical comedy produced by Mr. Abbott in 1941.

Edward Caton

NEW YORK (NYT) — Edward Caton, 81, a Russian-born American dancer, teacher and choreographer, died of cancer Thursday. His choreography for "Sebastian," to a score by Gian Carlo Menotti, was a success in 1944 when it was produced by the Marquis de Cuevas' Ballet International. Among his other works were "Lola Montez" for the Ballet Russe de Monte Carlo in 1947 and "Triptych" for Ballet Theater in 1952.

2 Injured in Paris Blasts

PARIS — The police are investigating two separate explosions early Monday that injured two persons at Fouquet's restaurant on the Avenue des Champs-Élysées and destroyed an automobile parked nearby. No one has claimed responsibility.

Sandinista Junta Beginning Trial Of Businessmen and Communists

By Dial Torgerson
Los Angeles Times Service

MANAGUA — Attempting to quash criticism from the political left and right, Nicaragua's ruling Sandinista junta this week is launching the trial of Communists and businessmen accused of "endangering public security."

Charges have been filed in court against two members of the Communist Party, two officials of the Communist labor union and four prominent leaders of business and industry. Three other businessmen have been charged but not yet arrested, and 20 other Communists have been detained but not yet charged.

The leftist leaders of what the Sandinistas call their "government of national reconstruction" said the nation had reached "the hour to rectify those who have gone astray."

The leaders of private industry were arrested after writing an open letter to the coordinator of the junta, Daniel Ortega, saying that the country has arrived at a "point of no return."

Although the Sandinista movement is pro-Marxist, about half of Nicaragua's means of production remains in private hands, and the government insists it favors a "mixed economy" and "political pluralism."

After Wednesday's arrests by state security police of the four businessmen and 24 Communists, Mr. Ortega said: "The mixed economy, political pluralism, freedom of the press and expression and the security of foreigners will all fit within the revolution — but not if they are against the revolution."

Those charged in court are accused of violating the laws of economic emergency and of order and public security. Like the businessmen, the Communists also spoke out against the junta, issuing a pamphlet that criticizes the government's ban on strikes.

The business community was shocked by the arrests of the men, all engineers, heads of major companies and officials of a group of businessmen and industrialists called the Superior Council for the Private Sector — COSEP in the Spanish acronym.

"There has been much discussion whether COSEP was 'inside' or 'outside' the revolution," the independent newspaper La Prensa said. "Now it is very clear that it is 'inside.'" ("Inside" locally means "inside prison.")

La Prensa Is Cautious

Aside from the small joke, La Prensa did not attack the government for the arrests. The newspaper has been shut down five times this year for writing editorials that the government charged were critical and in violation of two press laws it decreed.

A government official said those on trial face sentences of two months to three years in prison if convicted.

Business leaders under arrest and charged are COSEP's president, Enrique Dreyfus; Benjamin Lanzas, president of an association of construction firms; Gilberto Cuadra, president of a federation of business and professional men, and Enrique Bohonos, president of an industrialists' group. Three other COSEP members are being sought. Together, the men make up the top leadership of private business here.

Also arrested and charged were two officials of the Communist Party's labor wing — Allan Zambrana and Roberto Antonio Moreno. The secretary-general of the party, El Altamirano, and another leader, Yamilet Bonilla, were also arrested and arraigned Friday. The trials are expected to last at least a week.

Yugoslav Emigré Says He Passed Secrets to U.S.

From Agency Dispatches

CHICAGO — A Chicago man who was jailed in Yugoslavia on espionage charges earlier this year says he passed secret information to the U.S. government when he emigrated to the United States 14 years ago.

Boško Simic, 51, was arrested April 20 and sentenced to six years in prison when he returned to Yugoslavia for his mother's funeral. He served six months before being freed last Wednesday as a result of U.S. pressure.

He said after returning home Saturday that in a successful effort to seek permanent U.S. resident status, he had given the United States information that he had obtained when working for the Yugoslav government.

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Young-Marcus Runoff For Mayor of Atlanta Clouded With Racism

By Art Harris
Washington Post Service

ATLANTA — Andrew Young heads into Tuesday's mayoral runoff as a front-runner, hustling for votes under a cloud of racial bitterness seeded by his chief supporter, Mayor Maynard Jackson, who referred to blacks backing Mr. Young's white rival as "shuffling and grinning... Negroes."

Until now, the issue of racism has been among the most dominant, if least openly discussed, issues in the campaign. The white business community scouted quietly about for months for a stalking horse to recapture City Hall after eight years under Mr. Jackson, who is black, and finally settled upon Sidney Marcus, a white state legislator with biracial support and a reputation as a liberal.

Wallace Recalled

But the black mayor of this city has been accused of throwing the same kind of racial curve ball to get blacks to vote for Mr. Young that southern white politicians so often use to scare out their vote.

"It reminds one of the kind of

thing George Wallace said in his heyday," said Charles Black, a black campaign manager for Mr. Marcus. "If a white candidate had made the same statements, it would only be construed as racism." And black supporters of Mr. Marcus have begun needling their rival camp with bumper stickers proclaiming: "Shuffling Grinning Negro."

Mr. Young, who was the U.S. ambassador to the United Nations during part of the Carter administration, has acknowledged that "race is an issue" in the Atlanta mayoral campaign. "But I've always agreed with whoever it was who said that racial need not be racist," he said. "If everybody's concerned about the racial factor, and I think they are, then I think it's important to discuss it openly."

Mr. Young took 41 percent of the vote in Mr. Marcus' 39 percent in the Oct. 6 general election, with 16 percent going to A. Reginald Eaves, a black Fulton County commissioner who has endorsed Mr. Young. There was some racial crossover in this majority black city, with Mr. Young taking 12 percent of the white vote, and Mr. Marcus 9 percent of the black vote. Mr. Young had predicted that he would win 25 percent of the white vote.

Conflicting Labels

Mr. Jackson kicked the lid off the campaign more than a week ago when he told 120 blacks at a YMCA luncheon that some white business leaders were determined to have a "white mayor." He labeled blacks behind Mr. Marcus who believe a white mayor would do more for blacks as "Negroes" who are "shuffling and grinning around the campaign" of his opponent.

He accused them of "selling out" the civil rights movement and likened them to "these slick-talking Negroes trying to justify their relationship with the Reagan administration, jockeying for positions closest to the table so that when the president is reminded to throw them a crumb, they will be in a position to grin and catch it."

Mr. Jackson usually refers to blacks as "Afro-Americans" as a term of respect, never "Negroes."

"Race-Baiting"

"I would rather have him call me a nigger," said state Rep. Douglas Dean, one of Mr. Marcus' most outspoken black supporters, calling Mr. Jackson's remarks "worse than slave plantation politics... an attempt to control black people's minds." He said he believed Mr. Marcus' relationship with rural state legislators would yield more jobs for Atlanta blacks than Mr. Young could produce.

Mr. Marcus assailed Mr. Young for not repudiating the mayor and accused him of "race-baiting" by proxy. Mr. Young countered by saying that the mayor was not speaking for him. "Neither do I tell him what to say," he added.



THAIS SEIZE WEAPONS — Thai police examine a cache of 100,000 cartridges, hand grenades, carbines and other arms seized in Bangkok and destined for rebels in north Thailand.

Government Decides Fiji Islanders Not Yet Ready for Television Age

By Pamela G. Hollic
New York Times Service

SUVA, Fiji — Children here play European sports and electronic games, learn karate from Asian movies and eat Indian curry and tropical fruits. They listen to rock music on imported cassettes and wear T-shirts from Hawaii. All that the children of prosperous Fijian families do not have is television.

The Fiji government has decided to delay the introduction of television for the islands' 700,000 inhabitants, many of whom live in rural areas, until it feels they are ready for it, and the subject of television has become Fiji's most provocative issue.

"We came to the conclusion that the introduction of television is a very low priority," said Hugh Leonard, general manager of the Fiji Broadcasting Commission and a member of the government committee appointed to lead public discussion on television.

"Opinions are very polarized," said Mr. Leonard, whose committee recommended that the government delay bringing television to Fiji. "People get very heated up by it. But the decision is the government's and I think it wisely decid-

ed that there were other priorities."

A study conducted for Fiji by the Asia-Pacific Institute for Broadcasting Development concluded that setting up a national television system in Fiji would cost more than \$20 million, not including personnel training and annual operating costs.

Other Needs Come First

"The government came to the conclusion that the money should be spent for national development. There are people who still don't have electricity or radio to link them with the capital," said Mr. Leonard.

Fifth Bomb in 3 Days Is Exploded in Spain

VALENCIA, Spain — A bomb exploded outside a Finance Ministry office in Valencia Monday.

The bomb, which caused no injuries, was the fifth in three days to go off along the Mediterranean coast. A separatist Catalan group, Terra Lliure (Free Land), claimed responsibility for four weekend bomb attacks in Barcelona and Alicante.

Suva is one of the few English-speaking Pacific capitals without television. Other islands, especially those attached politically to the United States, have had television for years. American Samoa teaches English to an entire generation by using television in the classroom. At home, the Samoans watch "Saturday Night Live" and "Charlie's Angels." Critics of television point to American Samoa as an example of how television can take over a culture.

"Cultural domination is a bigger threat than anything else," said Finan Tabuacuoro, a junior fellow at the University of the South Pacific. "If we're going to subject ourselves to French, American and British programming, we're not reinforcing our own culture. Besides, spending money on television is a misallocation of funds. It just is not justified in terms of other needs of the country."

In the last two years, video tape players have become Suva's newest status symbol. Already there are at least 4,000 videotape players in the country. At \$1,300 and up, the cost of single machine is more than Fiji's average per capita income.

"If you don't have video you're poor," said Lavinia Padarath, a nurse.

Oklahoma Kickbacks Scandal Could Prove to Be Largest Yet in U.S.

By Douglas B. Feaver
Washington Post Service

NORMAN, Okla. — This is a state where being No. 1 is important, especially in college football, but the beloved Sooners are off to their worst start in 16 years. Perhaps Oklahoma will find solace in the fact that, if federal prosecutors are correct, the largest kickback scandal in U.S. history is unraveling right here.

So far, more than 120 present or former county commissioners throughout the state have pleaded guilty, been found guilty or agreed to plead guilty to federal charges — usually income tax-related — in an investigation that centers on kickbacks in the purchase of road-building and repair equipment.

David A. Russell, the U.S. attorney in Oklahoma City, says that before the scandal is over about 250 former or present county officials and suppliers will be convicted. Here in Cleveland County, two of the three commissioners have already resigned after signing agreements to plead guilty.

Special elections are being held throughout the state to fill the vacant offices and Republicans are replacing the Democrats who have controlled the counties, and justice since statehood in 1907.

Mr. Russell claims active cases in 65 of Oklahoma's 77 counties, each of which has three commissioners, which started in southeastern Oklahoma, has also spilled across the Red River into Texas. A similar, unrelated investigation is under way in neighboring Arkansas.

Information developed by FBI

and Internal Revenue Service investigators includes tape recordings of payments actually being made to commissioners and, literally, a barful of records of bogus transactions. Investigators estimate roughly that, in the first 100 cases, at least \$25 million has been misspent.

Two Types of Deals

The investigators have found two basic types of deals. One is a standard 10-percent kickback. The county commissioner buys a load of gravel or a road grader blade and gets 10 percent from the seller. Simple and clean, very hard to

trace unless either the seller or the commissioner talks.

The other is a little more creative and results in a bigger payoff. The commissioner buys a shipment of bridge timbers, but the lumber is never delivered. The commissioner and the seller split the entire fee, less 10 percent for the person who wrote the voucher showing the sale was made.

That person was the link in the chain that made it possible after years of rumor and innuendo for somebody to build cases against county commissioners that would stick. IRS agents had been looking at Dorothy Griffin's lumberyard in

Farris, a tiny community in southeastern Oklahoma, wondering how it could be doing that much business. One night they called and asked. For reasons they still don't understand, she told them all about it and led them to a barn where she kept copies of vouchers detailing hundreds of bogus sales going back many years.

Agreements Signed

Soon Mrs. Griffin and an Oklahoma City supplier named Guy Moore were carrying FBI tape recorders to their meetings with various county officials. "Usually after

we play those tapes it's not too hard to get a plea," one of the investigators said.

So far, only three cases have actually gone to trial. The result is two convictions and one no contest plea, entered in the fourth day of the trial just before the damning tape was to be played in court.

Most of those charged have signed agreements to plead guilty to conspiracy to commit mail fraud and to obstruct the IRS. Additionally, they have resigned their offices and in many cases have made restitution to the county. "I've made \$17,000 in restitution,"

former Cleveland County commissioner Billie D. Poole said as he concluded a very brief interview. Mr. Russell's office confirmed the figure.

The scandal could also be the beginning of the end of Democratic control of county politics. Oklahoma usually votes Republican in national elections but picks their local officials in the Democratic primaries. In the 12 special elections for new county commissioners held since the scandal became public, however, nine of 10 seats once held by Democrats have gone to Republicans.

Climber Dies in Nepal Fall

United Press International

KATMANDU, Nepal — Jean Jacques Ricouard, 29, a French mountaineer fell to his death on Mount Kanchenjunga, the world's third tallest mountain (28,209 feet), after he and his partner successfully reached the peak, the Ministry of Tourism announced Monday.

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China Finds Consumer Demands From Peasants Are Rising

By Christopher S. Wren
New York Times Service

PEKING — Yang Xiaoyun, an industrious young peasant in Hubei province, turned a sizable profit last summer by selling more than five tons of grain to the state. But when he set out to treat himself to a new bicycle, he could not find one.

The 25-year-old farmer received some front-page sympathy in the official party newspaper, People's Daily, which noted that he was typical of peasants who have begun to prosper under the agricultural policies of Deng Xiaoping, the Chinese leader.

Agricultural Policies

Such tales do not appear in the Chinese press by accident. With a good autumn harvest expected, the newspaper was warning both factories and local officials to do

more to meet rising consumer demands from farms.

The agricultural policies that were started nearly three years ago have made it worthwhile for the Chinese peasant to work harder. Instead of earning work points for time on the job, most peasants are now being paid for what they produce.

About four-fifths of China's 800 million peasants are said to be tilling the land of their communes under the latest system of greater responsibility. More than a fourth of the country's farmers, generally in the poorer regions, have returned to working like tenant farmers under a system in which they are allowed to keep whatever they earn above their quota.

Other measures have included increasing private plots to a maximum of 15 percent of the cultivat-

ed land and encouraging individual farmers' markets, which now account for a quarter of the poultry, eggs and fish bought in the cities. As a consequence, by one official reckoning, incomes rose 81 percent in rural areas from 1977 to 1980 compared with 38.5 percent in urban areas. The government has had problems filling the demand for consumer goods that the rise in incomes has created.

New Policies Adopted

Two years ago, the new policies were adopted at the Yanghe commune in Yinchang County, where Mr. Yang was a production team leader. His family of six set to work raising grain, rice, pigs, chickens and fish. The five tons of grain that he sold to the government last summer was enough to feed 50 people for a year. People's Daily said.

The family received 4,600 yuan, about \$2,800, which made their per-capita income more than four times the national average.

But a bicycle was not to be found at the local stores. The newspaper said that at least 110 bicycles were to be sent from Shanghai to Yincheng County every year. "But in fact, very few peasants can buy the bicycle," the newspaper said. It added, "The majority of the bicycles flew again to the city through the back door," referring to the popular system of getting things done on the sly.

In response, local authorities in Yancheng County have promised that any peasant who exceeds a quota for produce — for example, two and a half tons of grain or four pigs — will be entitled to buy a rationed item, such as a Shanghai bicycle or a sewing machine or

building lumber and tiles. The press is encouraging other local governments to make similar offers.

In the meantime, many farmers will have to be content with saving their money. The Agricultural Bank of China disclosed in June that total savings on communes had risen to 14.4 billion yuan, about \$8.6 billion. And the shortage of goods seems unlikely to be resolved soon.

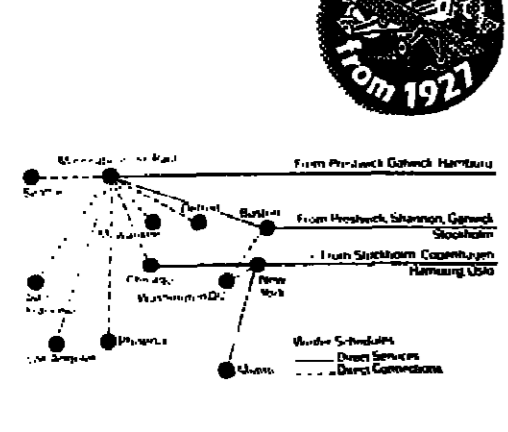
Farm Policies Affect Births

PEKING (Reuters) — China said Monday that its new liberal farming policies were working against the national birth control campaign by encouraging peasants to have larger families to help fill the fields.

The People's Daily said new farming systems gave peasant families greater responsibility for crop-raising and that large families made more money. Many peasants therefore saw birth control as against their interests. This was short-sighted and new measures to control the population would have to be worked out, it said.



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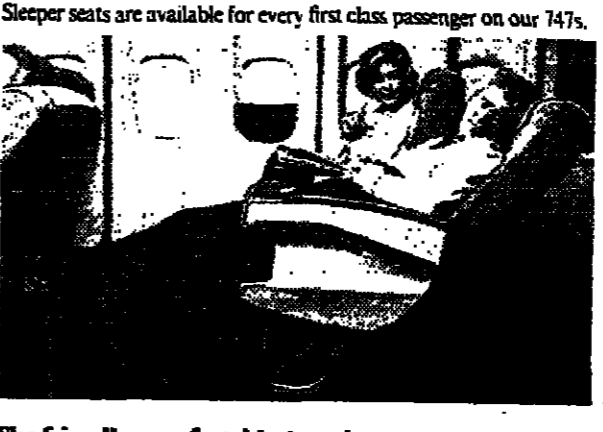
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Record-Breaking Harvests

PEKING (UPI) — China announced on Monday record-breaking harvests in Inner Mongolia and Xinjiang provinces, two of the country's most remote areas.

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Adelsohn Charts New Course for Swedish Conservatives

By John Vinocur
New York Times Service

STOCKHOLM — Sweden has a major new political figure. By his admirers' accounts, he embodies all that is direct, courageous, warm and innovative. For his detractors, the more characteristic phrases are erratic, impulsive, short on facts and transparently long on ambition.

Under any circumstances, Ulf Adelsohn is a bit of an exotic development in a political landscape where changes sometimes seem to be measured in variants of gray. The man who has taken over leadership of the Moderate Party, the country's largest non-Socialist party, is a lawyer, just turned 40 years old, with a Jewish family background, who was regarded as having enormous success as Stockholm's guest-mayor and considerably less during a brief period as transport minister in the national government.

Mr. Adelsohn is replacing Gosta Bohman, who is retiring for reasons of age, at a difficult time. As the leader of Sweden's most conservative party, Mr. Adelsohn benefits, at least indirectly, by the conservative victory in national elec-

tions last month in Norway. But he is confronted by five years of non-Socialist government in Sweden in which the country's economic difficulties have worsened. With them have come public-opinion polls showing that a Social Democratic return to power is very likely in elections next September.

Tax-Reform Dispute

Mr. Adelsohn has the advantage that the Moderate Party dropped out of the governing coalition with the Center and Liberal parties this year in a dispute about tax reform, which frees the Moderates from the government's failures. The Moderates are dependent, however, on the other non-Socialist party for a chance at getting into government as part of a new coalition. And those parties, sometimes described as Social Democratic mutants, have always considered the Moderates' conservatism too harsh and too brash to let it dominate coalition policy.

Mr. Adelsohn says he was chosen as party leader "because I was such a complete failure as minister of transport." Pausing, as if the line had gotten laughs elsewhere, he continues, his grin narrowing.

"We had a very strong leader," he says. "Of course you want the same, and you can't get it. So I must have been the least worst alternative."

The attitudes that many Swedes find attractive in Mr. Adelsohn are most apparent when he talks about his political philosophy. He says he particularly admires Trygve Bratteli, a Norwegian politician who backed his country's entry into the European Common Market and lost in a referendum. "I like the kind of man who fights for something and isn't much worried about his political safety."

'Not Smart Enough'

Mr. Adelsohn's detractors say he was effective as president of the Stockholm City Council because he knew the issues, and they were of a size related to his skills and enthusiasms. The director of a major Swedish company, who likes Mr. Adelsohn personally, said he was just "not smart enough" during his tenure at the Transport Ministry; he didn't listen to advice, and he seemed weak on details. Very often, the businessman said, he seemed bent on trying to

oversimplify problems of enormous complexity.

When Mr. Adelsohn hears this he replies, "The reality of what's gone wrong in Sweden really is simple enough for everyone to understand."

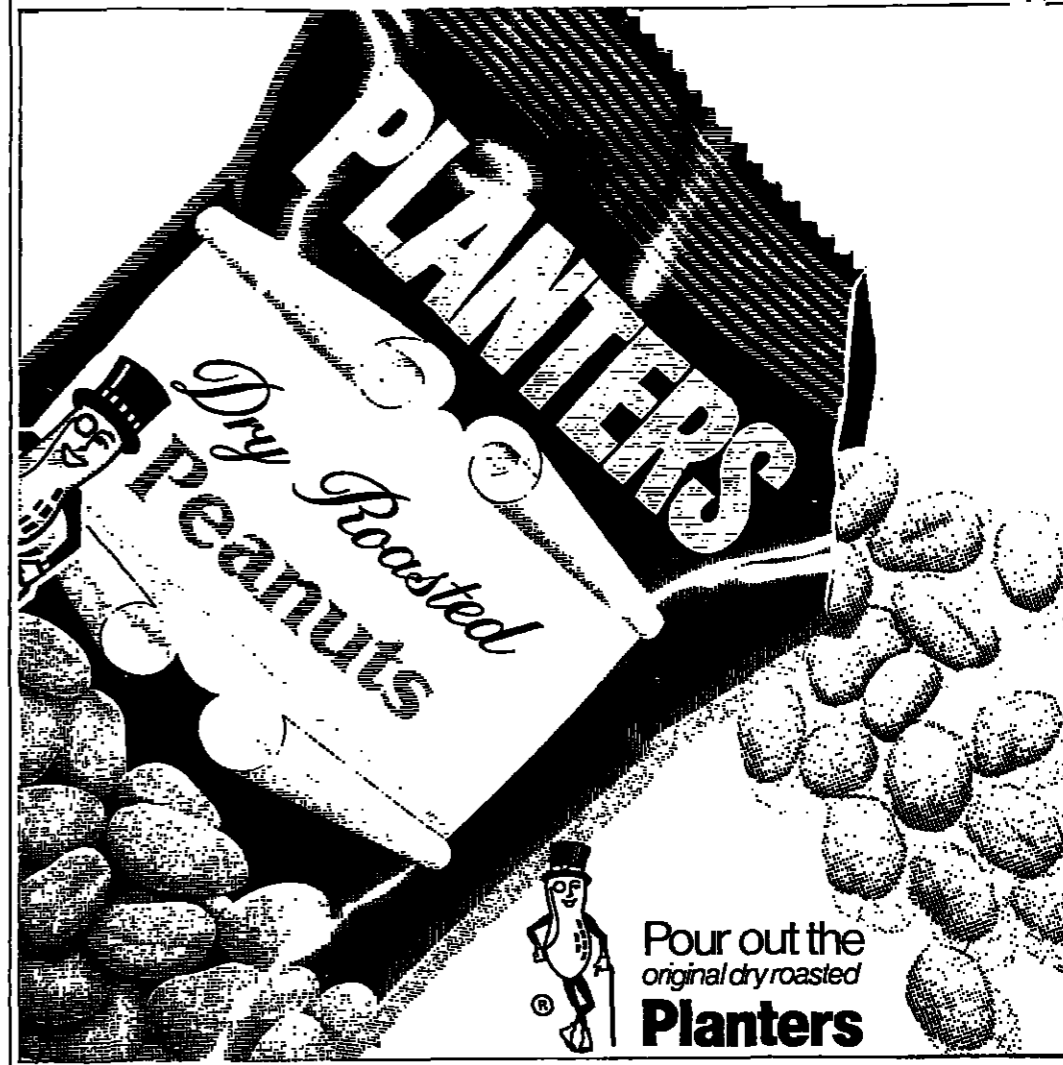
Unesco Criticized Over Press Drive

UNITED NATIONS, N.Y. — The United Nations Association of the United States, a private American group, has criticized what it says are efforts by some members of the Unesco secretariat to promote state control of the news media.

The board of governors of the association said in a statement that it strongly supported freedom of the press and opposed any attempt at government control. The association said that the United States and like-minded countries should fight attempts to achieve state control or guidance of the media.

Its statement was prompted by controversy over efforts, mainly in the Paris-based Unesco, to establish a "new international information order."

Remember the dry when you mix a martini.



Dutch Are Building Big Storm-Surge Barrier

By R.W. Apple Jr.
New York Times Service

MIDDELBURG, Netherlands — A few miles north of here, the Dutch are fighting what they hope will be the final battle of their century-old struggle against the encroaching sea.

They are spending close to \$2 billion for the latter-day equivalent of the little Dutch boy with his finger in the dike — a mechanical monster called a storm-surge barrier that will seal off the mouth of the Eastern Scheldt River in bad weather to protect those living in low-lying areas along its banks.

On Feb. 1, 1953, gales combined with abnormally high tides sent floodwaters surging across thousands of acres of agricultural and residential land in the southwestern part of the Netherlands. More than 1,850 people lost their lives, and tens of thousands of buildings and countless head of livestock were destroyed. The Dutch vowed they would never let such a thing happen again.

half-mile span of the Eastern Scheldt. But before the dam could be started, the environmental lobby complained about the effect on sea birds and other marine life as the water behind the dam gradually lost its salt content. Protests were heard as well from fishermen and from gastronomes who love the luscious mussels and Zeeland oysters that thrive in the bays and estuaries of the area.

The dam's opponents carried the day in Amsterdam, and the government sent the engineers back to their drawing boards to find a better solution. Ultimately, they found it in a combination of artificial islands and numerous, enormous, sliding gates; but they still had to figure out how to build them in one of the most hostile marine environments in the world.

New technology was developed.

A special vessel called the Mythus (Mussel) was built, with four steel tubes dangling beneath it; the tubes vibrate and compact the loose sand on the riverbed, increasing its bearing capacity. A second vessel called the Cardium (Cockle) was built to lay over the sand prefabricated mats of steel, synthetic fabric and rock. And a third vessel called the Oyster (Oyster) was built to lift into position 66 concrete piers, each weighing 18,000 tons, that will hold the gates.

All this is costing a great deal of money. Partly because of inflation and partly because of the changed plans for the Eastern Scheldt, the price of the Delta Project has risen from an original estimate of \$1.2 billion to a current one of more than \$4 billion.

Happily, the marine life behind the eastern dams is thriving, contrary to the expectations of the environmentalists, although of course no one knows for how long.

concessions of private contractors, "the most advanced civil-engineering project in the world." They are anxious to recoup some of the outlay, especially for the three special vessels, so they are trying to sell their technology to other countries. South Korea and Canada have expressed interest.

Operated by hydraulic pumps, the steel gates will be dropped into position once a month for maintenance purposes. The experts say they believe they will be needed to hold back the marauding tides that result from northwest gales in the North Sea only once every two to three years on average. But on those few occasions, it is hoped, they will for the first time provide a measure of security for the 2 million inhabitants of this highly vulnerable part of the Netherlands, which lies 15 feet below sea level.

Dikes Not Enough

Dikes alone, it was clear, would not do. So the experts of the State Water Authority conceived a plan to seal off most of the rivers that flow through the area, all of them part of the vast delta formed by the Rhine, Meuse and Scheldt rivers. Only the New Meuse, leading to the port of Rotterdam, and the Western Scheldt, leading to the port of Antwerp in Belgium, would be left open.

The scheme involves a maze of dams, locks and sluices, designed not only to keep the sea out but also to control the salinity of the various lakes and canals that would result. The first goal, sealing off the small river leading to the cheese town of Gouda, was completed in 1958. The huge Haringvliet and Brouwers Dams, each of them several miles long, were completed in 1971 and 1972.

According to the original plan, the Delta Project was to be completed with a dam closing the largest opening of all, the five-and-a-

Pickpockets Getting Rich At Heathrow

The Associated Press

LONDON — Passengers at international airports are so careless that gangs of thieves are flying to Britain to rob them and flying out again the same day much richer, a police chief said Monday.

In the last 12 months, thieves have stolen about £500,000 (\$910,000) worth of property at British airports, half of it at London's Heathrow, said Heathrow's chief of detectives, John Walker.

The thieves usually work in groups of three and sometimes use children and women to divert travelers whose pockets are picked and hand luggage rifled. Mr. Walker said there had been many reports of "accidental" spilling of drinks on travelers and stumbling over a suitcase to fall into a victim.

A visitor flying over the site in a helicopter has the illusion that he is viewing a vast archaeological project. The piers, triangular in cross section at the base, with rectangular piers rising to hold the gates, are lined up inside cofferdams along the shore of the larger artificial island.

Nineteen piers have been completed so far, and the first cofferdam has been flooded. In the spring, they will be lifted into position. A few weeks ago, construction began on the last of the piers, and it is expected that all will be in place, together with the gates and linked by girders with a road on top, no later than the spring of 1986.

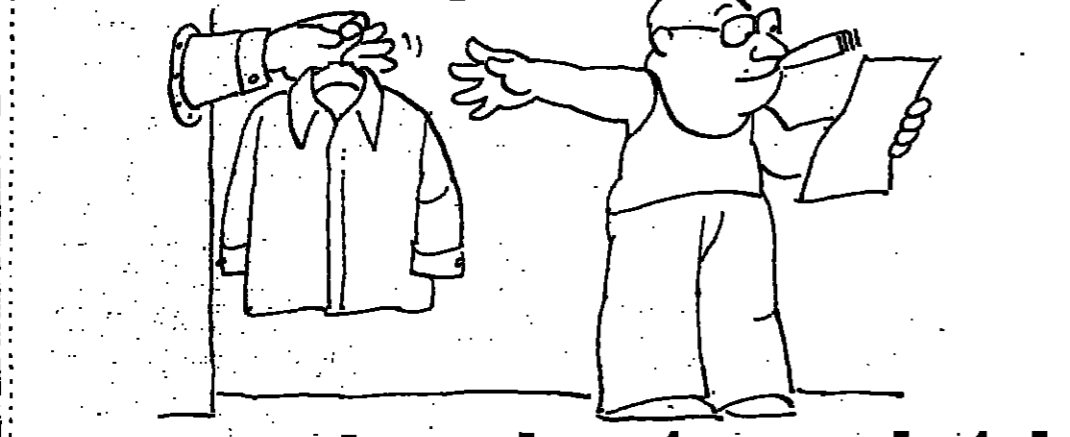
It all seems "agonizingly slow," one of the workers said. But the infrastructure for the project, including a bridge to link the island to the road network and a 12-million-volt power plant, has taken years to put into place, and each of the piers requires 240 workdays to assemble. Every year, the project drains \$400 million from the national treasury. Taxes are paying every cent of the cost.

Dutch authorities say that the barrier, which is being built by

pharmaceuticals sold throughout the world. Medical research is only one of Rhône-Poulenc's many activities. In more than 90 countries, Rhône-Poulenc is finding today the answers to tomorrow's needs: in textiles, crop protection and communication systems, as well as medicine.

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Down below, we've listed some of the many remarkable features.

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To fight infection, Rhône-Poulenc has just given surgery an unusual instrument.

In an antibacterial, Rhône-Poulenc has given eye-drops against infection caused by anaerobic bacteria during surgery.

Europe's Peace Marchers

The demonstrations against nuclear weapons in four European capitals last weekend followed the outpouring in West Germany two weeks ago. They constitute a sharp reminder that U.S. strategic policy has to take more than the Soviet reaction into account.

Those demonstrations — in London, Rome, Paris and Brussels — showed how far the European anti-nuclear movement has reached beyond its traditional bases in religious pacifism and far-left politics. The causes of this phenomenon have been ignored by American weapons diplomacy, which has inadvertently exacerbated them.

There is an inherent imbalance in the nuclear relationship between the United States and its European allies. The European governments do not sit at the table at which the United States and the Soviet Union negotiate over strategic weapons, yet the Europeans know that they are as much at hazard as the Americans or the Russians. The Reagan administration has been addressing the Russians in the aggressive idiom of the American conservatives, without much concern for another very attentive audience in Western Europe. It is accurate to say that the substance of U.S. weapons policy has not changed sig-

nificantly in the past year; but the tone seems, to Europeans, to have shifted to a more vehement and threatening pitch.

There is a touch of exasperation in the American response to current European attitudes. The rockets and Cruise missiles in question, after all, were offered as a counterbalance to Soviet nuclear weapons already installed and aimed at Europe. The U.S. weapons were intended only to restore a balance. But the crowds marching during the weekend were moving to a deeper logic. They were protesting what amounts, as a practical matter, to the drastic loss of sovereignty that the nuclear weapons imply.

Americans need to acknowledge that the decline of sovereignty works both ways in the alliance. The people who marched during the weekend become an American president's constituents, like it or not, when he gets into these issues. Mr. Reagan has to take them as seriously as if they were demonstrating — and voting — in California or New York. This autumn's peace marchers are conveying an accurate warning of the costs of any defense policy that cannot hold the support of a broad European consensus.

THE WASHINGTON POST.

AWACS and Thereafter

The central feature of the AWACS debate is not that so many senators have qualms about the deal. Of course conscientious legislators have reservations about the wisdom of selling high-tech military hardware to a low-tech regime that not only is of uncertain staying power but also is in a state of war with a special American friend. It is hardly surprising that responsible senators asked if they were being called on simply to spare the president the embarrassment of defaulting on a sales commitment he might well not have made if it had not been pushed upon him by his predecessor and by careless aides.

How could a Congress properly concerned with upholding its foreign policy responsibilities, after all, not wonder why the president was making such a tremendous investment of his and the country's prestige in a package on which there is so much room for reasonable and honorable disagreement?

No, the central feature of the debate is not that roughly half the senators have qualms and that some 40 have managed to conquer theirs, with perhaps more to come before the vote scheduled in the Senate Wednesday. No doubt those 40 have come to their views by different routes. Since we feel strongly that they are in the right place, however, we underscore what seems to have been the common core of their judgments: Of all the things that the United States must appear to be in the world, appearing serious is the first.

A victory might leave the president bleeding at home, but a defeat would leave him shipping water on the international high seas. He would look weak.

There is no use saying, well, it's only the

man, poor fellow, who has suffered. It is important for the management of American foreign policy that the president be seen as an effective leader.

An AWACS deal would not be consummated in practical terms for years, and whether the equipment will then have any military value or will still be considered useful as a vehicle of U.S. political influence is anyone's guess. However, an AWACS victory would let the Reagan administration get on with other things, especially in the Middle East. Defeat would raise troubling questions about whether the president can conduct foreign policy; victory would let him try.

Sen. Robert C. Byrd, the West Virginia Democrat, who, although anti-AWACS, is far from being an instrument of the Israel lobby, argues that the deal fits into an administration effort "to establish a tacit regional consensus on meeting the Soviet threat among actors in the region whose primary focus is on the Arab-Israeli dispute." Mr. Byrd worries that the sale would freeze the Israelis. No less should one fear that the administration, in offering the package, asked and got nothing political for it from the Saudis.

Whether or not the sale would complicate an approach to Israeli-Palestinian peace, it would certainly make one more urgent. The proper way for Mr. Reagan to redeem the faith put in him by a pro-AWACS vote, if he gets it, would be to move beyond a fascination with transfers and start grappling directly with the political conundrum at the heart of the instability of the Middle East.

THE WASHINGTON POST.

Action on Immigration

The Reagan administration has devised and sent to Congress a detailed program for modernizing the creaky immigration laws. We disagree with some parts, and there are even parts we detest. But it is a careful and coherent program — one which, however modified, can finally put the United States back in charge of its own borders. Even if it does no more than focus national debate, the Reagan package can provide the basis for new laws that can and should be enforced.

But who will enforce them? To know the Immigration and Naturalization Service is to know the truth of Sen. Alan Simpson's sad verdict, "It's in tatters."

The immigration package responds to two problems: refugees from Haiti in the Southwest and job-seekers from Mexico in the Southwest. The idea concerning the Haitians

is to deter those who are not genuine political refugees, with tougher enforcement to bar the borders and blunter legal treatment for those who manage to get in. The idea concerning the Mexicans is to begin getting more serious about controlling illegal entrants.

On the whole, the proposals for the Southwest seem excessively harsh, while those for the Southwest do not seem harsh enough. What is most striking is that the package contains more new work than help for the Immigration Service.

A generation into the computer era, the service is still in the era of Bob Cratchit, handling millions of pieces of paper. It is utopian to pile on new burdens until more personnel are in place and until the records are computerized.

THE NEW YORK TIMES.

Other Opinion

Opposite Sides of the Atlantic

The U.S. secretary of defense and the French premier may say the peace movement is misguided, but no one can ignore the deeper significance of the tremendous demonstrations of the past weekend. From the Russian side, no one can argue that the peoples of the West are filled with aggression and seek war. The willingness to arrive at real détente is present in the West.

—From De Standard (Brussels).

A top State Department official has presented a warning to our European allies that bears repeating: The current mood of appeasement may only increase chances of a

confrontation between the United States and the Soviet Union. Assistant Secretary of State Lawrence Eagleburger, speaking in Munich, drew a parallel between the current situation in Europe and the pacifism of 43 years ago, when "wishful thinking" did not deter Hitler's drive for an empire. Eagleburger warned that the recent protests against the American military presence in Western Europe ignore the realities of the Soviet threat.

It's an obvious lesson, and one Europeans should have learned by direct and painful experience. But some, apparently, are slow learners.

—From The Dallas Morning News.

In the International Edition

Seventy-Five Years Ago

October 27, 1906

NEW YORK — Mr. William R. Hearst's labor demonstration yesterday evening was the most serious failure he has met with in his campaigning. The meeting and parade were organized to combat the idea widely growing that the labor vote is hopelessly split. Five thousand men were in line, with Hearst transparencies. Mr. Howland, of the Civic Federation, says: "This was not a labor parade, but simply rabble. Mr. Hearst insults union labor in this city when he calls this a labor parade." Mr. Hearst attempted to address the paraders in Madison Square Garden. He had not been speaking more than a few minutes when labor paraders began to leave the hall, cutting short his speech.

Fifty Years Ago

October 27, 1931

CHICAGO — Clad in one of his \$750 outfits that were the subject of so much testimony at his recent trial, Al Capone sat sulking in his cell at Cook County jail today, while his battery of legal talent argued for and finally secured a stay of 24 hours on the order sending him to Leavenworth prison. Three judges of the circuit court of appeals took under advisement the gangster chief's counsel's plea for admission to bail and a stay of sentence and announced that they would render their decision tomorrow. Capone's only comment on the situation was: "I've been railroaded. I never heard of anyone getting more than a five-year stretch for income tax evasion before."

AFTER CANCUN: Real Progress Isn't a Western Monopoly

By Flora Lewis

MIAAMI — For delegates who wanted new headlines, the Cancun summit conference on development was a great success because the United States accepted a distant pledge of "global negotiations." For others, it was a disappointment because no specific approach and deadline were set.

Either way, the nebulous idea of some kind of universal free-for-all, where everyone would be asked to settle everything between industrial and developing countries, was offered as a test of progress.

"Global negotiations" is the code for all kinds of concessions from richer to poorer societies. The phrase has become a political measure for so vast a notion as a "new world economic order" supposed to result from some gigantic bazaar. So yes or no to "global negotiations" is supposed to identify the white hats from the black hats.

Of course, it doesn't mean much, as Britain's Margaret Thatcher said with her powdered smile. In fact, it would not cost the United States a penny, or feed a single child. If everyone agreed on attempting the clear impossibility of settling anything that way.

Refusal to indulge in that particular kind of empty rhetoric merits no praise, however. President Reagan offered his own formula for poor countries to pull themselves up by their bootstraps through the "magic of the marketplace," and India's Indira Gandhi noted dryly that hundreds of millions have no boots to pull.

In fact, the United States shies away from "global negotiations" because they have come to imply windy debates in the United Nations where it is made the scapegoat for the world's ills, as well as more UN-type votes proclaiming the virtues of the needy. You can not vote well-being into existence, although you can toast to health and prosperity for all.

That makes politicians look better for a little while, and it even makes people feel a bit better because it seems to recognize they have as much right as anyone to a decent life and are not preordained

to misery by some immutable natural hierarchy.

The main achievement of Cancun, however, was what didn't happen. Leaders of 22 countries managed to identify tangible global problems without just exchanging insults.

That is a key first step. The essential aim of the meeting was to shift the focus of North-South arguments from slogans to realities. Slogans have gotten in the way of dealing with harsh facts.

The facts are that the world is producing goods faster than it is producing people to meet their basic needs; the political systems of sovereign states and modern communications are producing demands for a better distribution of

what there is; and knowledge that more could be done is producing an angry rejection of age-old resignation to poverty.

But if more and better is possible, why isn't it forthcoming? The temptation too easily accepted is to say it is because the rich are too selfish to share. Reagan is right in saying distributing shortages doesn't increase wealth, producing does. The Third World is right in saying good intentions fill no bellies; that takes substance.

The time has really come to move to the substance of the North-South problem, not only because it is immoral and unjust for people to suffer more than is avoidable, but also because world peace will depend on demonstrat-

ing that the possible is being done. Tackling substance and doing the possible in the complex but feasible world of production and trade is harder than slogans make it sound. For countries that have developed the possible, it may only be a matter of will to provide aid, finance, investment, new techniques — in short, the money and brains that exist.

For those countries that only glimpse possibility from afar, the problem goes deeper. It is a matter of identity and culture. They are facing the seldom-admitted question of whether the same levels of material satisfaction are possible for them. Is modernization synonymous with Westernization? If so, these countries are doomed to

be losers because they will never be as Western as the West.

Nobody has put the dilemma more honestly and poignantly than V.S. Naipaul, the Anglo-Indian writer who shows that talent, brilliance and inspiration are not the monopoly of any culture.

When painful candor replaces resentment and the cloth of frustration, today's world also shows that there is no monopoly on the capacity for management, organization and production. Have the Japanese become honorary Westerners or have they modernized within their own culture?

After Cancun, the West needs to move on and do what it knows it can do, without guilt. The rest of the world needs to get on and be practical, without shame.

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Even if World Economic Resources Are Finite

By Stephen S. Rosenfeld

WASHINGTON — Down in Mexico the Cancun 22 argued over how best to bake and cut the world's economic pie. As necessary as that inquiry is, it is perhaps the second question. The first is whether the pie is, relatively speaking, shrinking, or whether it can be enlarged.

It should come as no surprise that, under the spur of international crisis, this old Malthusian riddle is being posed again.

Ronald Reagan is an anti-Malthusian. He has rejected the viewpoint, which enjoyed a certain currency in the Carter years, that physical resources are limited and that there are objective limits to growth that compel us to establish new ways of international sharing and national restraint.

Reagan's particular view that the free-enterprise system is the engine of human progress — an engine that can put in less-developed countries no less than in developed ones — was vigorously pressed at Cancun.

He was cheered on, surely, by the latest anti-Malthusian heavy to arrive on the intellectual scene, University of Illinois economist Julian L. Simon. Simon's new book, "The Ultimate Resource," is a hymn to man's capacity to conquer problems of population, resources and environment by new technology and by

people "creating knowledge" — these being "the ultimate resource."

You have to be, I gather, a really devoted supply-sider to go down the line with Simon. He is a zealot. "Quackery? Foolishness? Lying propaganda? Decide for yourself," his publisher, Princeton, says on the dust jacket. I read his conclusion that population growth is "a moral and material triumph," he was able to pull himself out of a deep personal depression.

Whatever the merits of Simon's thesis, it is undeniable that the optimism he expresses is of a piece with that fueling Ronald Reagan's approach to international development. This optimism may not be widely felt outside committed supply-side, Republican and Rotarian circles, but it fits with the prevailing political mood. Notwithstanding their self-interest in a healthy world economy, Americans are not too eager to help other countries out, and not so sure as they once were that the public sector is the way. It is a congenial time for a theory suggesting that, finally, there are no real constraints on the progress that poor people can make for themselves.

One of Simon's targets is Lester R. Brown, the veteran Washington-based apostle of national and international planning for scarcity. He has just updated the neo-Malthusian gospel

in his own new book, "Building a Sustainable Society." Earnestly decrying a "continuing emphasis on the ever greater production of raw materials to support a throwaway society," he urges efficiency-directed changes in resource and energy policy to build a "sustainable" one.

The neo-Malthusians have been burned over the years by being a bit too dark and dire in their predictions of coming catastrophe — running out of food, or what have you. It is evident that demand management, Brown's avowed approach, is out of official style.

For all that, I find Brown's way of looking at things a sadder guide to public policy than Simon's. Just as Reagan overdoes one good thing — "the magic of the marketplace" — Simon overdoes another: human ingenuity. He averts his gaze from the real and measurable constraints on vital resources like water, poor countries and, certainly, their leaders do not have the generation or two it will take for a phantom "ultimate resource" to materialize. They have to choose but to use, as prudently as they can, the finite resources at hand.

To dismiss this common-sensical conclusion because it does an injustice to the loftiness of the human spirit or the American dream, as Reagan and Simon tend to do, is doty.

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An Anti-Semitic Note In the AWACS Chord

By Laurence H. Silberman

The writer is a former deputy attorney general and U.S. ambassador to Yugoslavia. He contributed this comment to The Washington Post.

WASHINGTON — An unpleasant element has crept into the predictably fierce debate on AWACS: the threat of an anti-Semitic reaction. If the Senate rejects the sale, that notion, however couched, carries even greater significance than the sale itself, and, if not silenced, could doom a transaction whose prospects are already at best marginal.

Certainly it is appropriate to warn the Israelis that a presidential defeat on this issue could exact a price in terms of U.S.-Israeli relations. Israel is a separate sovereign nation with interests not necessari-

ly congruent with American interests. The Israelis have, one assumes, carefully calculated the risks of their open opposition to this transaction.

On the other hand, for some time now we have heard suggestions that a defeat of the AWACS sale could cause a rebirth of anti-Semitism in the United States. This argument is of quite a different order. Whatever the motive of the people who raise it — usually frustration at the effectiveness of the pro-Israel lobby — it cannot be seen as less than an ugly threat by some Americans against fellow Americans.

We are indebted to Richard Nixon for publicly noting the activity of "some American Jews" in the AWACS debate. Coming immediately after the leak of his 1971 tape, perhaps Nixon's comment can be explained as reflecting an academic ethnic interest. He just likes to count the number of Jews in a crowd.

Legitimate

Raising the specter of anti-Semitism is a direct attack on American democratic processes and values. Americans of various ethnic or national backgrounds have always paid particular attention to American foreign policy as it bears on nations with which they feel some identification. This is perfectly legitimate. President Reagan himself unabashedly appealed to American Jewish voters by emphasizing his conviction that Israel's strategic interests are closely aligned with those of America.

Those who threaten anti-Semitism if the sale of AWACS is closed should understand that there is a historical reason why this tactic is self-defeating and dangerous. During the 1930s and 1940s many American Jews, fearful of domestic anti-Semitism, did less than they should have to prevent the Holocaust. They carry a burden of guilt because of their timidity. That pusillanimous attitude, we should hope, is gone forever.

Although it is a close question on the merits, I am persuaded that the impact of congressional disapproval of the AWACS sale would so badly cripple President Reagan's flexibility to maneuver in the Middle East that the sale should not be stopped. Notwithstanding my support of the sale, however, I would rather see AWACS defeated than see American Jews or non-Jews opposed to the sale modify their position for fear of anti-Semitism rather than on the merits.

The president would be well-advised to eschew any sympathy with this foolish tactic. As for those who make the threat, publicly or privately, they should realize they are not immune to response.

Home of the Brave

Henry Laursen (Letters, Oct. 15) describes the non-attendance of President Reagan at Mr. Sadat's funeral as "a unique show of cowardice on the part of a leader of the land of the brave."

I don't think it was cowardice, but considerations of security. In any case, the quote from "The Star-Spangled Banner" is "the home of the brave," and the reference is to the Indian brave.

FINBARR SLATTERY, Killarney, Ireland.

Public Speaking

In his Oct. 2 news conference, President Reagan floundered the moment he left his prepared text and found himself exposed to the questions of the press. Yet his ability to rally the necessary support to implement his policies has rested largely on his experience, training and effectiveness as a public speaker.

If Reagan is truly more than a mere ideological facade, he could surely profit from a more extensive and open press conference.

ROBERT RODGER, Frankfurt.

For sale: one Stengelese-English dictionary (1954 edition). Useful for translating Reagan.

ROLAND RILLEDAJ, Brussels.

The IAEA and Iraq

Georges Delcoigne, in his letter (IHT, Oct. 12), has completely missed the point. He should have answered the question, implicit in your editorial of Oct. 2, why the director general of the International Atomic Energy Agency found safeguards inadequate in the case of Pakistan, while a few brief

months ago he assured the IAEA board of governors that they were absolutely adequate in the case of Iraq's reactor.

Mr. Delcoigne does not distinguish "high probability" of detection from "full guarantee." Counting and identifying fuel elements would represent adequate verification only if the kind and quantity of nuclear material contained in individual items and the use of fuel elements are also verified.

Besides, the "more than 100 foreign technicians" working at the Iraq plant are not IAEA inspectors. Mr. Delcoigne's claim that "any attempt at diversion would not have gone unnoticed" is disinformation, since the IAEA may base, as legally required in safeguards agreements, its conclusions on quantified verification by its inspectors only.

SLBODAN NAKICENOVIC, Vienna.

Ethnic Cliches

A recent IHT article about Robert Louche, former New York City police officer/informer, made the following observation: "He understood that equating silence with honor was part of every Italian kid's DNA." Kindly spare your

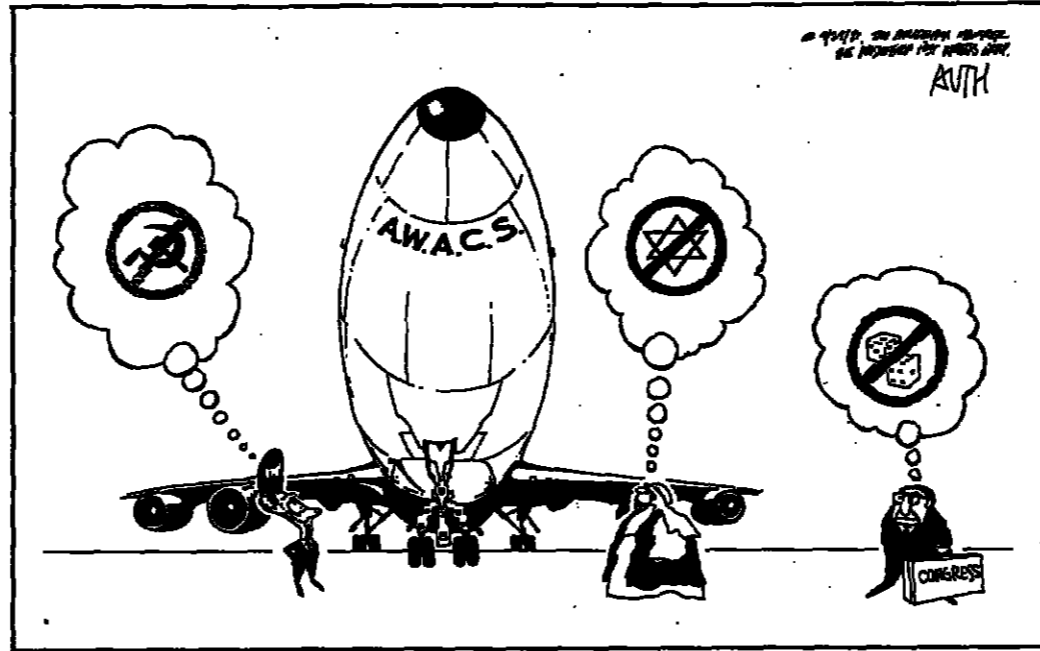
readership such simplistic, offensive and insipid generalizations regarding ethnic groups.

ROBERT E. RUGGERI, Paris.

Sadat Has Paid

The West, stunned by Sadat's assassination, is responding as though it failed to realize that for isolating himself from his peers and his cultural heritage, Sadat paid the price with his life.

NASRI KHATTAR, Longjumeau, France.



AWACS and Straight Thinking About Peace

By George F. Will

WASHINGTON — The proposed AWACS sale should incite Americans to define their terms, especially those that denote the things they covet, such as "peace" and "moderation."

If "peace" means simply the absence of armed conflict, then peace is a clear-cut concept, but it is a classification that does not classify in a way compatible with common sense. The United States has not known peace in any meaningful sense since the first week of December, 40 years ago. Thus, the president's strategic arms proposal (MX, B-1 and the rest) should be understood as another maneuver in what John Kennedy called a "long twilight struggle," countering maneuvers of arms by the enemy.

The president's proposal — to deploy a new capacity for violence, for the purpose of counting the enemy's capacity — is not war, but it is indicative of a condition closer to war than peace.

Similarly, Israel has never known a day of peace. Israel has suffered four wars, but the intervals between have not been peace. Saudi Arabia, whose "moderation" is cited by proponents of the AWACS sale, is among the foremost contributors to the climate of war and, hence, to the destabilization of the region.

In his letter offering assurances to senators, the president says he would cancel the sale if "the Saudis adopt policies which are disruptive to prospects for stability of the region and detrimental to U.S. national interests." That

statement implies that the Saudis have not hitherto adopted such policies. The statement is an example of the deceptions, including self-deceptions, the administration has been driven to in its search for rationalizations of the sale.

The Saudis have relentlessly excoriated the Camp David agreements. They have persistently undermined the peace process. They have financed the transformation of the fore-

Saudi Arabia is among the foremost contributors to the climate of war.

most terrorist organization, the PLO, into a conventional army in Lebanon. They called in January for a "holy war" against Israel.

They have never denounced treaties of cooperation between the Soviet Union and Arab states. They have vigorously opposed any military bases on the Arabian peninsula and the Gulf, although the Soviet Union has a substantial presence in Syria and Southern Yemen. They have pressured Oman to be less hospitable to the United States.

They denounced the hostage rescue mission in Iran as "American military aggression."

Letters

Home of the Brave

Henry Laursen (Letters, Oct. 15) describes the non-attendance of President Reagan at Mr. Sadat's funeral as "a unique show of cowardice on the part of a leader of the land of the brave."

I don't think it was cowardice, but considerations of security. In any case, the quote from "The Star-Spangled Banner" is "the home of the brave," and the reference is to the Indian brave.

FINBARR SLATTERY, Killarney, Ireland.

Public Speaking

In his Oct. 2 news conference, President Reagan floundered the moment he left his prepared text and found himself exposed to the questions of the press. Yet his ability to rally the necessary support to implement his policies has rested largely on his experience, training and effectiveness as a public speaker.

If Reagan is truly more than a mere ideological facade, he could surely profit from a more extensive and open press conference.

ROBERT RODGER, Frankfurt.

For sale: one Stengelese-English dictionary (1954 edition). Useful for translating Reagan.

ROLAND RILLEDAJ, Brussels.

The IAEA and Iraq

Georges Delcoigne, in his letter (IHT, Oct. 12), has completely missed the point. He should have answered the question, implicit in your editorial of Oct. 2, why the director general of the International Atomic Energy Agency found safeguards inadequate in the case of Pakistan, while a few brief

months ago he assured the IAEA board of governors that they were absolutely adequate in the case of Iraq's reactor.

Mr. Delcoigne does not distinguish "high probability" of detection from "full guarantee." Counting and identifying fuel elements would represent adequate verification only if the kind and quantity of nuclear material contained in individual items and the use of fuel elements are also verified.

Besides, the "more than 100 foreign technicians" working at the Iraq plant are not IAEA inspectors. Mr. Delcoigne's claim that "any attempt at diversion would not have gone unnoticed" is disinformation, since the IAEA may base, as legally required in safeguards agreements, its conclusions on quantified verification by its inspectors only.

SLBODAN NAKICENOVIC, Vienna.

Ethnic Cliches

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Publishing

A Cut-It-Yourself Way to Doll Up the White House

By Donnie Radcliffe
Washington Post Service

WASHINGTON — They're the newest thing in toys for grown-ups: first-family paper dolls complete with Oval Office. There's Ronnie Doll and Nancy Doll in star-spangled undies (her designer girdle by "Adele," of course) and outfits for almost every occasion — the ranch, the campaign trail, Camp David and an inaugural ball.

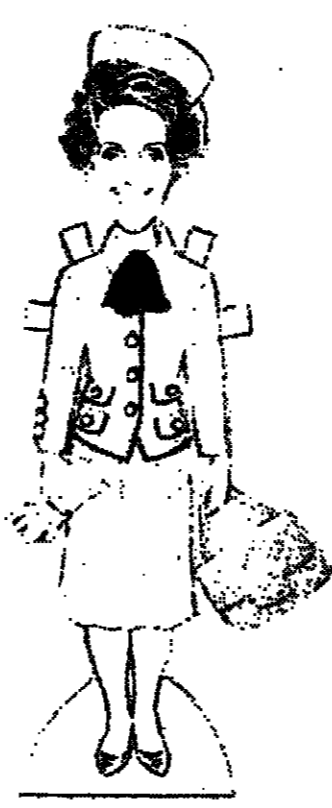
Just to show that the originators — Dial Press managing editor Jim Fitzgerald, literary agent John Boswell and artist Al Kilgore, of Bullwinkle persuasion — have thought of everything, there are a couple of Hollywood costumes in case Ronnie Doll wants to reprise some old roles and Nancy Doll wants to try out for Cleopatra. And rounding out the first family are Patti Doll and Ron Doll, whose own fantasy fashions go with what they want to be when they grow up.

Oval Office Props

For props, in and out of the Oval Office: an autographed picture from Frank "You did it my way" Sinatra, a sunlamp, a hot line, a Richard Nixon victory paperweight, a 5 o'clock shadow, a jar of jelly beans, a handy quick-draw blow-dryer in holster (to go with Nancy Doll's cowgirl outfit), a pop-up portable hairdresser, an actor (Bozzo), a secretary (masquerading as a four-star general), a reporter (masquerading behind a question: "If you were a tree, what kind would you be?"). The answer Nancy once gave Barbara Walters was "an oak," and a familiar-looking farm family fresh from harvesting a peanut.

Dell Trade Paperback of New York City, a subsidiary of Doubleday is printing 50,000 copies in its initial run, according to publicity director Matthew Shear. It's satire "intended for anyone who wants a little fun," Shear said, and since that could just as easily include legislators as Reagan-watchers, he's sending complimentary copies to the entire U.S. Senate.

"If they have to cut something," Shear said, "why not paper dolls?"



Music

Three Operatic Rarities Are Staged at Wexford Festival

By Henry Pleasants
International Herald Tribune

WEXFORD, Ireland — As has been its procedure for many years, the Wexford Festival has come up with three operatic rarities. The new productions introduced on three successive evenings last week in the tiny Theatre Royal were Wolf-Ferrari's "The Jewels of the Madonna," then Mozart's unfinished "Zaide" and finally Verdi's early opera buffa, "Un Giorno di Regno" (King for a Day). The selections and the performances, also as usual at Wexford, have emerged as a fascinatingly mixed bag.

"The Jewels of the Madonna," Wolf-Ferrari's one stab at verismo, dating from 1911 and originally calling for an orchestra of 100-odd, provided an unwise choice for so small a house. Conspicuous overproduction by Graham Vick of this tawdry tale of a Neapolitan blacksmith who steals the jewels of the Madonna to prove his devotion to a local Carmen (his foster sister) infatuated with a local gangster Escamillo, did nothing to redeem a score that earned its composer the reputation of an operatic magpie. It just made bad matters worse.

Nor was the casting of an order to redress the balance, despite dedication bordering on gallantry to a hopeless and hapless cause. There was just that famous intermezzo recurring again and again until one found oneself murmuring "one mo' time!"

"Zaide," a fragment of 16 set pieces dating from 1779, inspired by a singspiel for which no libretto was ever fashioned in Mozart's time, was quite another matter, well worth the pro-

duction, with a libretto recently devised by Werner Oehlmann, if only as a tentative blueprint for "Die Entführung aus dem Serail." We even have a singing Selim Bessa in the person of Sultan Soliman, one of whose arias, splendidly sung by the American tenor, Curtis Rayman, might easily and effectively be assigned to a singing Selim in "Die Entführung."

This was a fine musical performance with further telling contributions by Gordon Sanderson as Osmim, Neil Mackie as Gomatz (a prototype of Belmonte) and Ulrik Cold as Allazim (an intermediate character missing from "Die



Femney (left), Aliberti in "Un Giorno."

Entführung"). Leslie Garrett in the title role failed to fulfill the promise of her appearance last year in Handel's "Orlando."

Again, overproduction, this time by Timothy Tyrrel, raised its ugly head — as well as an ugly pair of staircases — offering a further example of contemporary producers' predilection for superfluous and obtrusive activity which, if not specifically designed to take the audience's minds off the music, almost invariably succeeds in doing just that. It's not too bad a way, perhaps, with Wolf-Ferrari, but it won't do with Mozart.

The best of Wexford this year was reserved for the last, and predictably so, if only because Sesto Bruscantini's previous productions here had taught us what to expect, especially with himself as singer-actor and with such opera buffa veterans as Ugo Benelli, Gianni Socci and Lucia Aliberti at his disposal, to whom should be added the promising and already accomplished Angela Feeney, a soprano from Belfast now singing in Munich, and Donald Maxwell, a Scottish baritone, also of great promise.

The surprise, then, was not the sparkling stage performance, nor Tim Reed's simple but effective and easily moved sets, nor James Judd's shrewdly paced direction of the Irish Radio and Television Orchestra, but the quality of the opera itself, which has somehow never escaped the shadow of its opening night fiasco in Milan in 1840. Sure, it owes a lot to Rossini and Donizetti, but it owes a lot to Verdi, too. At that disastrous Milan premiere it could not have been blessed with the fluent and spirited production it had here at Wexford.

Jazz

2d Paris Festival Opens Oct. 31 With City Support

By Michael Zwerin
International Herald Tribune

PARIS — "In our country I would say that all political parties agree that we should give more support for cultural affairs," says Michel Boutinard Rouelle, who is Mayor Jacques Chirac's director of cultural affairs.

When Boutinard Rouelle took office in 1979, the city's cultural budget — which finances a variety of activities ranging from neighborhood conservatories and libraries to the maintenance of churches — was about 200 million francs, 2 1/2 percent of the total municipal budget, and plans for 1982 are for a cultural budget of 500 million francs, or 5 percent of the total. This year roughly 1.15 million francs is for jazz, compared with absolutely nothing before Boutinard Rouelle took over.

Overwhelming Odds

When musicians decide to play jazz for a living they do so out of love. There is no other objective reason: the odds are overwhelmingly against becoming financially well-off from it. Something about this attitude reaches a broad spectrum of listeners, even people in positions of power. Perhaps at least partially because they are in such positions.

Jimmy Carter once sang "Salt Peanuts" with Dizzy Gillespie in the White House. French Finance Minister Jacques Delors is reported to be frustrated because his duties leave little time to listen to his Charlie Parker records. Boutinard Rouelle, who became hooked on the "happiness of jazz" as a student in the prestigious Ecole Nationale d'Administration, says: "I am very pleased that all of a sudden I find myself like a Christmas tree, in a position to give money to jazz. That's one of the main reasons I love this job."

The largest single item in the jazz budget is 750,000 francs for the Paris Jazz Festival, which made its debut last year with a subsidy of 500,000 francs and paid for itself. Until then Paris was the only major European city not to have a namesake festival. The second festival runs from Oct. 31 through Nov. 7, and features people like Archie Shepp, Chet Baker, McCoy Tyner and Gary Burton.

The rest of the money goes to subsidizing jazz classes in classical music conservatories; to the Centre d'Information Musical, the city's largest jazz school; supporting free outdoor summer concerts; helping to pay rehearsal costs for the big bands of Martial Solal and Francois Jeanneau; and for commissioning new compositions.

Treated Like Serious Artists

So all of a sudden French jazz musicians find themselves being treated like serious artists. At first they could not believe their good luck. They suspected there were strings attached.

Boutinard Rouelle, 35, smiles at the irony of it: "At the beginning many of the jazzmen asked 'Why are you helping us?' Because for years there was nobody in power interested in this type of music, so they were a bit afraid. But we said: 'Of course your music will remain absolutely free. We don't want to play politics with it.'"

It is, however, difficult to avoid playing politics with subsidies. One reality is that they tend to go to those who know how and are willing to spend the time and energy to deal with the bureaucracy.

In addition to being considered too "far out" some of the more original creative talents tend to stay in their corners creating. Obtaining grants can be a job all by itself. Since jazz has been recognized by various governmental bodies and private foundations in the United States in the past decade or so, a new group of experts has sprung up. They serve on advisory boards, amass a power base and guard it jealously; they are consulted by applicants, and who you know can be as important as what you produce.

'Supposed to Be Subversive'

As one renegade French jazzman put it, looking a gift horse in the mouth: "Jazz is supposed to be subversive. Don't they understand that? It's supposed to be a destroyer of institutions, and now here they go making it an institution." And it is true that the power of jazz, which began as slave music, protests the predictable. Swing (the generic pulse, not the style) is the root of it. By definition governments, left or right, do not swing. Institutions do not like surprises.

Fungus Attacks On Mummies Are Reported

The Associated Press

CAIRO — Egyptian experts are mobilizing mummies to halt fungus and bacteria attacks on the ancient corpses in the Egyptian Museum, a newspaper has reported.

The daily Al-Akhbar quoted the antiquities department Sunday as saying the mummified remains of 27 Egyptian kings and queens will have to be treated before being shown again. It said fungi and bacteria had been found in the show-cases where the mummies rest.

Officials of the museum could not be reached immediately for comment on the reports.

Al-Akhbar said most of the mummies would be reburied after treatment, while a few would be exhibited in a special chamber equipped with modern technical devices to ensure their preservation.

Grants tend to go to good boys and girls.

However jazz musicians have for many years held that their music is in fact the classical music of the 20th century. It has been an important influence on 20th-century classical music — take Ravel, Stravinsky and Steve Reich, for example. Jazz musicians have objected to official neglect, and to the fact that jazz has been kept in the back of the bus, so to speak, in smoky cellars and sleazy saloons.

One of Boutinard Rouelle's primary concerns is "to take jazz out of its traditional environment and make it respectable. The Paris Jazz Festival is presented in some of the most prestigious halls in town — Salle Pleyel, Théâtre de la Ville and Théâtre Musical de Paris-Châtelet."

But even accepting that institutionalizing the music is good for it, there is a long way to go. Paris'

grants is, coincidentally, about the same figure as the combined jazz subsidy of the Dutch government and the city of Amsterdam (also about the same per capita). Huub van Riel, who administers it, says: "This figure is ludicrous when you think how much classical music receives. Our goal is to reach roughly the million dollars yearly it takes to support one symphony orchestra. We do not accept the premise that jazz necessarily has to be a poor relation."

Boutinard Rouelle adds: "Most of all I want to prepare the future. I am appointed, not elected. This job can last six months or six years. I want simply to stay here long enough so that the city's aid to jazz will be institutionalized. After me I am sure there will not be as much interest in jazz. But once the festival has become, say, five years old, it won't die. It will be an institution."

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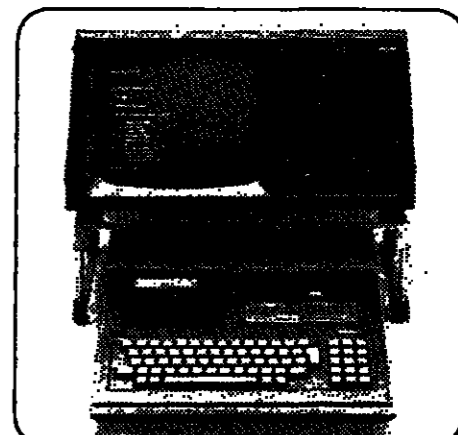
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Revenue, Profits in Millions, in local currencies, unless otherwise indicated

Table of company reports including Japan (Full Electric, Hitachi), United States (Aeromex Hess, American Natural Resources, Asarco, etc.), and various international companies like Shell Oil, Singer, etc.

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NEW YORK — U.S. machine tool orders, which have been depressed for the past year, fell 49.8 percent in September from the similar period in 1980...

Iran Is Said to Resume Kharg Island Exports
BAHRAIN — Iran has restored at least some oil exports from the Kharg Island terminal in the Gulf...

4 West German Institutes Predict Rise In Unemployment, Slow Economic Growth

BONN — Four of West Germany's influential economic research institutes Monday predicted rising unemployment and sluggish growth next year while the fifth one predicted that West German output might even decline...

SEC Charges Insiders Profited on Santa Fe

WASHINGTON — The Securities and Exchange Commission charged Monday that buyers of Santa Fe International Corp. common stock had inside information concerning the proposed \$2.5-billion sale of the company...

Diversion Alleged
The complaint, a copy of which was released in Washington, also asked for a preliminary and permanent injunction against the purchasers of the stock...

CURRENCY RATES

Table of currency rates for various countries including Australia, Canada, France, Germany, etc.

New York Prices Continue to Slide

NEW YORK — Prices on the New York Stock Exchange continued to slide Monday as the market reflected the pressures of a troubled economic outlook, poor corporate earnings and a weakening bond market...

GM Weighs Cut in Dividend To Meet Goals, Smith Says

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Tables include the nationwide prices up to the closing on Wall Street.

Main table of NYSE stock closing prices for October 26, 1981, listing various stocks and their prices.

Table of 12-month stock prices for various companies, including columns for High, Low, and Close.

Table of 12-month stock prices for various companies, including columns for High, Low, and Close.

Selected Over-the-Counter

Table of selected over-the-counter stock prices for October 26, 1981.

European Stock Markets

Table of European stock market closing prices for October 26, 1981, listing markets like Amsterdam, London, Frankfurt, and Zurich.

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EEC Proposals Worry Large U.S. Companies

By Craig Anderson and Marie-Marlene Buckens
International Herald Tribune

BRUSSELS — Increasing disquiet among U.S. multinational companies over efforts by the EEC to clamp down on the activities of large companies has led to attempts on both sides of the Atlantic to counteract the moves.

This week in Washington, three bills are to be presented to the House that would enable the administration to intervene directly or take retaliatory action if U.S. business interests are adversely affected by the activities of foreign states. Meanwhile, in Europe, more attention is being given to relaying the opinions of U.S. business leaders to Common Market policy-makers.

There are currently pending in the EEC three legislative initiatives of particular concern to U.S. businesses which have affiliates or subsidiaries in Europe, said Joseph Worden, a Washington business consultant.

"All appear to share a wholly unwarranted suspicion of transnational enterprises and all would impose radical and burdensome disclosure requirements and legal liabilities not only upon European subsidiaries but upon parent companies in the U.S. as well."

One plan, the Vredeling-Davignon proposal — named after Henk Vredeling and Etienne Davignon, its sponsors on the EEC Commission — would require companies to inform and consult with employees on decisions that would affect the interests of workers.

Mr. Gleichman added, however, that it was "cautious to see Americans complaining about the territoriality of laws. Often, it is precisely this aspect of U.S. anti-trust rules which other countries complain about."

Under the bills to be presented to the U.S. House of Representatives on Wednesday, the president would be able to restrict investments in the United States from the companies involved, and U.S. citizens could be banned from divulging business information.

In Brussels, moves are afoot to strengthen the voice of U.S. business. The U.S. mission to the EEC has traditionally played a low-key role in promoting the interests of U.S. companies in the Common Market, but there have been reports that in the past few months the mission has been instructed to increase such efforts. Officials in the mission would not comment on the reports.

The corporate community is also taking action. Anne Harrington, executive director of the Conference of Mayors, Daily Seminars will be offered with discussions on legal and tax implications, real estate, personnel and labor relations, property management and site selection, and financial vehicles open to investors.

WASHINGTON — A weeklong international exhibition, "Invest in America's Cities" begins Monday in Zurich, sponsored by the U.S. Conference of Mayors. Organizers said the show "represents the first time [U.S.] cities have teamed up to merchandise their individual investment opportunities."

Some states, such as Maryland, Pennsylvania and Massachusetts, will also be represented. The affair is expected to attract more than 2,000 European industrialists, businessmen and entrepreneurs, with heavy representation from firms considering the U.S. chemical, textile, electronics and real estate markets.

"We will be selling America as the largest homogeneous market in the world," said John J. Gunther, executive director of the Conference of Mayors. Daily seminars will be offered with discussions on legal and tax implications, real estate, personnel and labor relations, property management and site selection, and financial vehicles open to investors.

Zurich Exhibit Set On U.S. Markets

WASHINGTON — A weeklong international exhibition, "Invest in America's Cities" begins Monday in Zurich, sponsored by the U.S. Conference of Mayors. Organizers said the show "represents the first time [U.S.] cities have teamed up to merchandise their individual investment opportunities."

Some states, such as Maryland, Pennsylvania and Massachusetts, will also be represented. The affair is expected to attract more than 2,000 European industrialists, businessmen and entrepreneurs, with heavy representation from firms considering the U.S. chemical, textile, electronics and real estate markets.

"We will be selling America as the largest homogeneous market in the world," said John J. Gunther, executive director of the Conference of Mayors. Daily seminars will be offered with discussions on legal and tax implications, real estate, personnel and labor relations, property management and site selection, and financial vehicles open to investors.

U.S. Set to Reveal New Borrowing Program

By Michael Quinn
New York Times Service

NEW YORK — The Treasury's heavy borrowing needs have been a key ingredient in the behavior of the credit markets all year and may have even a larger impact after Wednesday, when the government announces its financing plans for the rest of the year.

At a time when investors are reluctant to buy long-term bonds, many expect that the next increase in Treasury borrowing will force yields to new highs, just as occurred in the May and August financings.

Concerns about inflation and the economy take a back seat in the minds of dealers and investors when they are faced with the prospect of absorbing at least \$25 billion of new Treasury debt between now and the end of the year.

"Despite seemingly stratospheric yield levels and the quickening recession, borrowing pressures continue to intensify while retail investors are virtually shunning longer-term maturities," Philip Braverman, an economist at the Chase Manhattan Bank, wrote in last Friday's issue of its Money Market Report.

It is "clearly false," Mr. Braverman added, to expect that the recession will mean reduced credit demands or that lower short-term rates will spur a bond-buying binge by investors.

Some analysts say that the best hope for avoiding record interest rates at the early November

Dealer Expectations

Last August, the Treasury sold \$4.25 billion of 3 1/2-year notes at an average yield of 15.96 percent. \$2.25 billion of 14 1/2 percent notes due in 1991 at an average of 14.98 percent and \$2 billion of 13 1/2 percent bonds at an average yield of 14.06 percent.

The Treasury's announcement on Wednesday will include details of the November refinancing, when the Treasury has to refinance \$5 billion of publicly held debt that matures on Nov. 15, as well as raise new cash. Government securities dealers expect a standard three-part, \$8.5 billion financing. Amounts and exact maturities vary, but in general they expect \$4.5 billion of new 3 1/2-year notes, \$2 billion of 10-year notes and \$2 billion of 30-year bonds.

Clearly False

It is "clearly false," Mr. Braverman added, to expect that the recession will mean reduced credit demands or that lower short-term rates will spur a bond-buying binge by investors.

Some analysts say that the best hope for avoiding record interest rates at the early November

Dollar Forecasts Deeply Divided for 1982

By John M. Leger
AP-Dow Jones

NEW YORK — If you figured that the dollar's lofty August levels were gone for good, think again. The dollar may soon start heading back into the clouds. But then, it may be poised to drop from its current level of about 2.30 Deutsche marks, and it had better have a parachute.

Those conflicting opinions reflect the deep division in the foreign exchange market over the dollar's near-term direction. Nonetheless, specialists generally agree that 1982 could be the year that the market, in assessing the fortunes of the dollar, loses its fascination with interest rates and takes more interest in the fundamental U.S. economic condition.

Ten specialists surveyed were virtually unanimous in their expectation that the dollar will weaken by next June 30 from year-end levels, largely because of an anticipated deterioration in the U.S. international payments position. The agreement ends there, however.

Corporate Buying

The most bullish analyst was Gary Gray, a vice president at Bankers Trust in New York. He expects the dollar to finish the year at 2.50 DM, or 10 percent above its current level and only slightly below its five-year high in August.

To that, "I can only say good luck," said H. Robert Heller, vice president for international economics at the Bank of America in San Francisco. He sees the dollar dipping to 2.15 DM by Dec. 31.

Mr. Gray, who is Bankers

Trust's top trading strategist, concluded the effect of any further rumblings in Poland. The tensions there have helped to strengthen the dollar as investors, jittery about a possible Soviet invasion, fled the currencies of nearby countries, particularly West Germany.

Sure to be a hot topic next year is the deterioration of the U.S. international payments position. Bank of America's Mr. Heller predicts that "the previous overvaluation of the dollar" will produce a deficit of about \$5 billion next year in the U.S. current international payments account, following surpluses in 1979, 1980 and probably 1981. The implication: More dollars are flowing out of the United States, fundamentally weakening the currency.

Meanwhile, said Grindley's Mr. Ashby, "the German balance of payments is looking much healthier" following a massive 1980 deficit. Mr. Ashby said he does not believe that the West German current account will swing into surplus next year, but the deficit "will diminish rapidly," he said.

As a result, he predicted, the "rate of change between the U.S. and Germany will attract the market's attention," putting downward pressure on the dollar.

Poland Excluded

But Bryan J. Walsh, a senior vice president at Irving Trust in New York, sees a "declining-interest-rate environment" that should knock the dollar down toward 2.10 DM by the end of the year.

Not everyone, though, is convinced that interest rates are going much lower. "I see further slight declines, but not very much more," said David F.V. Ashby, group chief economist at Grindley's Bank in London. Mr. Ashby, whom one top dealer calls "one of the same economists," predicted a decline of 1 to 1 1/2 percentage points, at most, then a rise by year's end.

Timothy F. Hurley, first vice president at First National Bank of Boston, said that "the fascination with Reaganomics" is likely to continue through the end of the year, helping push the dollar to 2.35 DM.

But, like many other analysts, Mr. Hurley said his forecast ex-

First Chicago Slips Off List Of Top 10 U.S. Bank Firms

New York Times Service
NEW YORK — First Chicago, the parent holding company of the First National Bank of Chicago, has dropped off the list of the 10 largest U.S. banking companies, which could make it more costly for the bank to raise money.

In terms of total assets, First Chicago has been replaced by the Los Angeles-based Security Pacific, parent of Security Pacific National Bank.

"It was kind of inevitable," said Frank V. Cahout, vice chairman of Security Pacific. The move into the No. 10 spot "was just an extension of our own game plan to grow solidly and rapidly," he added.

Barry F. Sullivan, First Chicago's chairman, said, "I hate all the measurements of size; they're just not relevant."

Some analysts, however, contend that being among the 10 largest banking companies has definite advantages, especially in selling large certificates of deposit.

About three years ago, the leading dealers in these certificates quietly established a so-called prime market for such deposits, made up of the nation's 10 largest banks.

Under this informal arrangement, a certificate of any bank in the group can automatically be substituted for the certificate of any other bank in the group.

No. 9 in Deposits

Because the arrangement is more a convention than a written policy, it was not clear whether First Chicago's change in status would affect its position as a prime-market bank.

Moreover, judged in terms of deposits held by the bank itself, First National of Chicago, with deposits of \$22.5 billion, still ranks among the 10 largest banks — No. 9, in fact, as its deposits are about \$10 billion more than those of Security Pacific National Bank.

According to their third-quarter reports, First Chicago had total assets of \$30.9 billion on Sept. 30, compared with \$31.1 billion for

Security Pacific. Three months earlier, First Chicago's assets stood at \$30.3 billion, compared with \$30.2 billion for Security Pacific.

First Chicago has had severe problems over the last few years, including depressed earnings and loss of market share. Its former chairman was dismissed last year and replaced by Mr. Sullivan, who came from Chase Manhattan.

He has been trying to turn the bank around, and analysts say he has had some success. Despite its loss of position in terms of size, its earnings in the third quarter of 1981 more than tripled from the level of the previous year. In addition, its annual rate of return on each \$100 of total average assets, a key indicator of a banking company's basic profitability, jumped to 43 cents from 15 cents in the period a year earlier.

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UTO AUCTIONS

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| FRANC (Swiss) | 7 % |

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Amsterdam, 20th October, 1981.

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CANADIAN AGENT

OCTOBER 7, 1981

IC Industries sets nine-month records for sales and income.

CONSOLIDATED STATEMENT OF INCOME
For the quarter and nine months ended September 30, 1981 compared with the same periods for 1980
(U.S. Dollars in millions Except per-common share amounts)

| | Quarter Ended | | | Nine Months Ended | | |
|-------------------------|---------------|---------|---------|-------------------|---------|---------|
| | 1981 | 1980 | %Change | 1981 | 1980 | %Change |
| Sales and Revenues | \$1,048 | \$1,015 | 3.3 | \$3,105 | \$3,017 | 2.9 |
| Net Income | \$32.6 | \$30.4 | 7.2 | \$80.9 | \$75.9 | 6.6 |
| Income per Common Share | \$1.59 | \$1.52 | 4.6 | \$3.80 | \$3.62 | 5.0 |

IC Industries had record sales, net income and net income per common share for the third quarter and nine months of 1981.

Compared with results for nine months of 1980, net income increased 6.6 percent to \$80.9 million on a 2.9 percent increase in sales to \$3,105 million. Income per common share improved 5 percent to a record \$3.80.

Five of the Company's six major business units — Pet, Hussmann, Midas, the Illinois Central Gulf Railroad and soft drink operations — showed improvement in pre-tax income over 1980.

Consumer products income increases 50 percent.
Combined pre-tax income by consumer product companies reached \$96.5 million, a 50 percent increase over the first nine months of last year. The record income was achieved on a 5.6 percent improvement in sales to \$1.63 billion.

Pet Incorporated, led by its Grocery Products Group including Old El Paso Mexican foods, reported \$29.8 million in pre-tax income for the nine months — double that of a year ago.

Hussmann, a world leader in food store refrigeration equipment, had an excellent third quarter and moved ahead of 1980 results with a 5.6 percent increase in pre-tax income to \$23.5 million for the nine months of 1981.

Soft drink operations, principally Pepsi-Cola bottling in eight Midwestern states, reached pre-tax income of \$26.5 million for the first nine months, 10.4 percent ahead of a year ago.

Midas continued its strong earnings growth in the third quarter and after nine months, had pre-tax income of \$17.1 million, nearly four times that of 1980. By acquiring majority interest in "1, 2, 3 AutoService" and its 102 shops in West Germany, Austria, Belgium and the Netherlands, Midas now has more than 1,540 shops worldwide.

Progress in program of asset redeployment.
Expansion of Midas shops in Europe is another example of IC Industries strategic plan to improve long-range financial characteristics of the Company through selective divestments and reinvestment of assets.

Since 1979, 17 low-margin operations have been divested. Assets have been redeployed by acquiring 8 higher margin companies, 5 production plants and entering into 3 new joint ventures.

Railroad Activities income up 38.5 percent.
The Illinois Central Gulf Railroad produced a new nine-month record of \$49.5 million in Railroad Activities pre-tax income, a 38.5 percent increase over last year.

The effects of service innovations and reduced government regulation helped the ICG to achieve record results despite a 5.7 percent decline in car and trailer loads.

Abex Corporation continues to experience the effects of softness in its industrial markets. Pre-tax income for the nine-month period was \$34.3 million, down 38.6 percent from a year ago.

In spite of uncertain economic conditions affecting certain lines of business, the IC Industries program of balanced diversification is working.

If you would like to know more about our design for continued growth, please write:
IC Industries, Inc., European Office,
55, ch. Moise-Duboulet,
CH-1209 Geneva, Switzerland.

IC Industries
Growth by design.

Mr. William B. Johnson, Chairman and Chief Executive Officer of IC Industries, this week addressed investment audiences in London, Paris, Zurich and Geneva. If you would like a copy of his presentation, please write to our Geneva office.

Diversified in six business units: Abex, Pet, Hussmann, Pepsi-Cola General Bottlers, Midas, Illinois Central Gulf Railroad.

U.S. COMMODITY PRICES

Chicago Futures table with columns for Wheat, Soybeans, Corn, and other commodities, listing prices and changes.

International Monetary Market table listing exchange rates for various currencies including British Pound, Canadian Dollar, and Japanese Yen.

New York Futures table listing prices for commodities like Soybean Meal, Soybean Oil, and various grades of wheat.

London Metals Market table listing prices for metals such as Copper, Aluminum, and Zinc.

London Commodities table listing prices for various commodities including Sugar, Coffee, and Cocoa.

Paris Commodities table listing prices for commodities like Wheat, Corn, and Soybeans in French francs.

Market Summary NYSE Most Active table listing the most active stocks on the New York Stock Exchange.

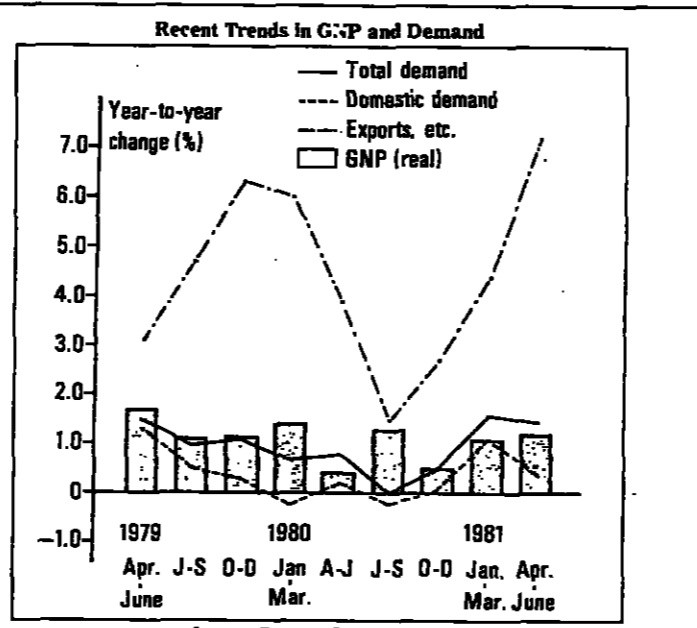
Dow Jones Averages and Dow Jones Bond Averages table showing index values and changes.

Standard & Poors NYSE Index and Odd-Lot Trading in N.Y. table listing stock prices and trading volumes.

ISTITUTO FINANZIARIO INDUSTRIALE - Società per Azioni. Corporate Offices: 25, via Marengo, Turin, Italy. Capital Stock lire 78,000,000,000 fully paid.

Annual General Meeting. Notice is hereby given to shareholders that the annual general meeting of the company, to be held in first call on Thursday, October 29, 1981, at the offices of SAI - Società Assicuratrice Industriale S.p.A.

DAIICHI KANGYO BANK advertisement. DKB ECONOMIC REPORT October 1981: Vol. 10 No. 10. Japan's economy is showing tone of gradual recovery, but micro business drags.



investment is active in large enterprises, it is rather slow among small and medium enterprises and the growth is slackening. But signs of recovery are seen in capital goods shipment (except transport machinery) which registered a 3.3 per cent increase in July over the previous month and after seasonal adjustment and orders for machinery (except those for electric power and ships) which had for long been dropping rose by 3.2 per cent in July.

Talk it over with DKB. The international bank that listens. DAIICHI KANGYO BANK logo and contact information.

Eurocurrency Interest Rates table listing interest rates for various currencies and terms.

Floating Rate Notes table listing closing prices for various floating rate notes.

Banks table listing financial data for various banks.

Non Banks table listing financial data for non-bank financial institutions.

Wall Street Report table listing market news and prices.

Commodity Market table listing prices for various commodities.

Market Summary table listing market news and prices.

Market Summary table listing market news and prices.

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Market Summary table listing market news and prices.

Cash Prices table listing prices for various commodities.

Dividends table listing dividend payments for various companies.

AMEX Index table listing American Market Exchange index values.

Leutwiler Urges Joint Action on Exchange Crises table listing news about exchange crises.

Swiss Nuclear Consortium table listing news about a nuclear consortium.

Market Summary table listing market news and prices.

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AMEX Nationwide Trading Closing Prices Oct. 26

Tables include the nationwide prices up to the closing on Wall Street.

Large table of stock prices for AMEX, including columns for 12 Month High/Low, Stock Div., % Yld., P/E, and various stock symbols like AAV, ABA, etc.

Handwritten signature or mark in the top right corner.

Toronto Stocks

Closing Prices, Oct. 23, 1981

Table of Toronto stock closing prices for October 23, 1981, listing various companies and their prices.

Montreal Stocks

Closing Prices, Oct. 23, 1981

Table of Montreal stock closing prices for October 23, 1981, listing various companies and their prices.

Canadian Indexes

Oct. 26, 1981

Table showing Canadian index values for October 26, 1981, including Montreal and Toronto indices.

This announcement appears as a matter of record only.

LISTING DOCUMENT

Application has been made by Trafalgar Housing Limited for admission to trading and official listing of the whole of its issued share capital on the Luxembourg Stock Exchange.

TRAFALGAR HOUSING LIMITED

(大寶地產有限公司)



LISTING ARRANGED BY

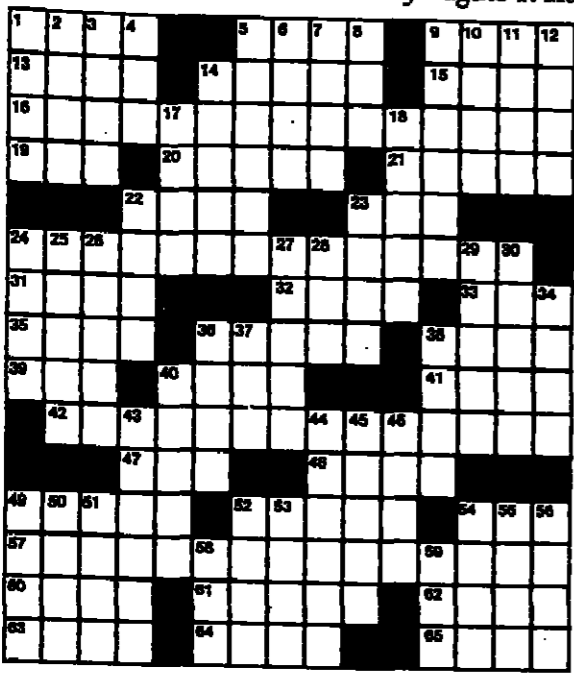
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26th October, 1981

Large advertisement for the International Herald Tribune, featuring the headline 'SAVE!' and details about a 12-month subscription offer with a 25% discount.

CROSSWORD

By Eugene T. Maleska



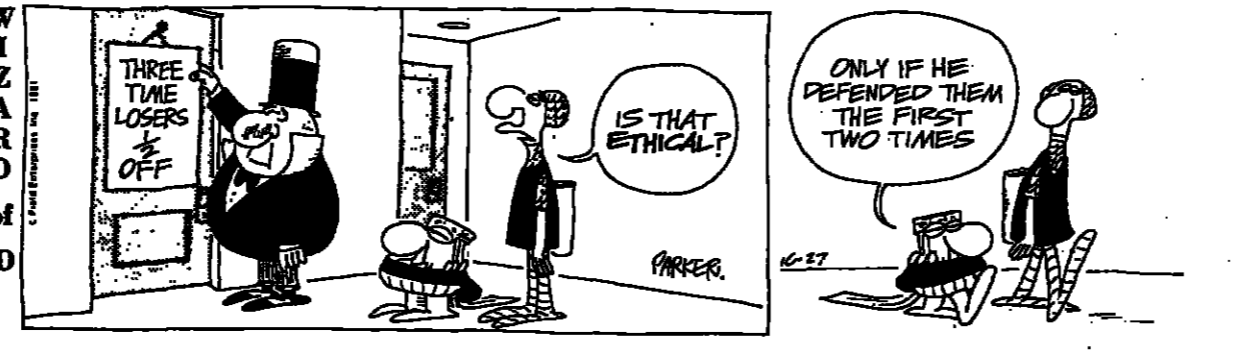
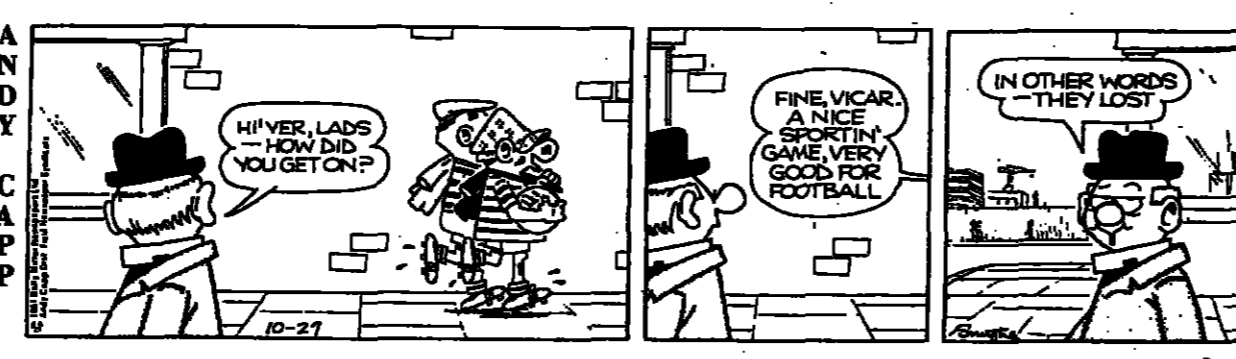
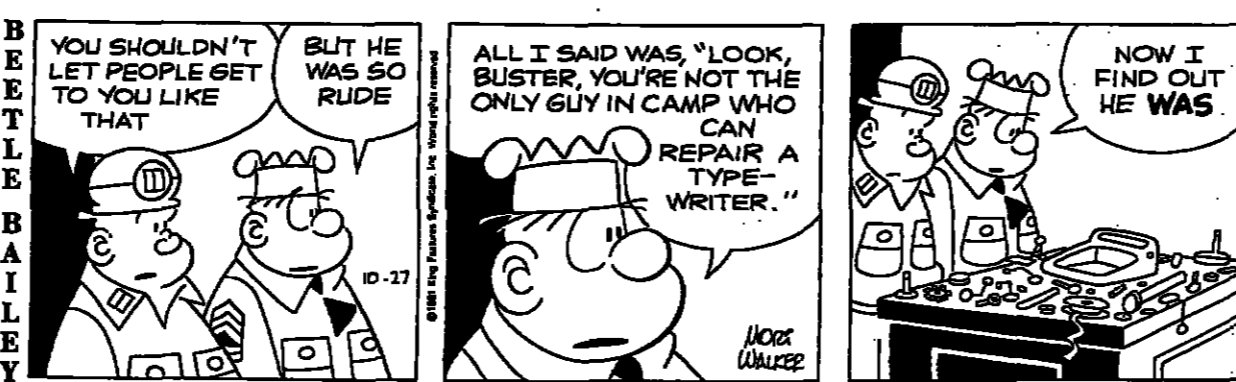
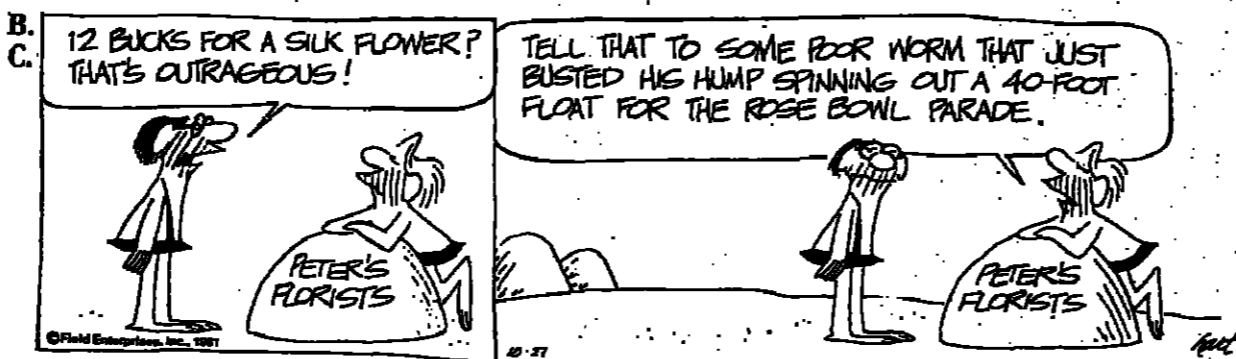
- ACROSS: 1 Not fully closed... 14 Stravinsky's "Le... du Printemps"...

WEATHER

Table with columns for location, high, low, and weather conditions for various cities like ALBUQUERQUE, ALBUQUERQUE, ALBUQUERQUE.

ADVERTISEMENT INTERNATIONAL FUNDS

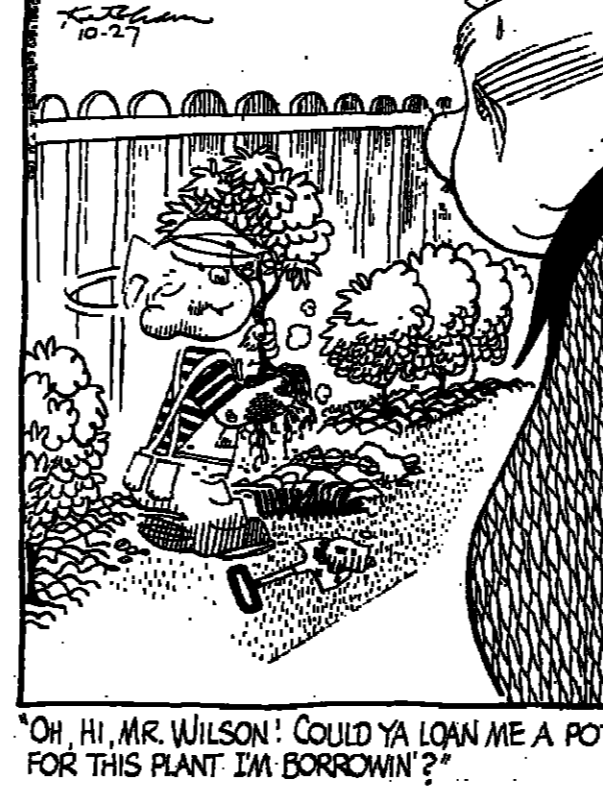
Table listing various international funds and their performance metrics, including ALLIANCE IN THE CARIBBEAN, BANK JULIUS BAER & Co. Ltd., etc.



JUMBLE

Jumble word game instructions and a cartoon illustration of a man with a decision from a dictator.

DENNIS THE MENACE



BOOKS

SPRING MOON

By Bette Bao Lord. 463 pp. \$14.95. Harper & Row, 10 East 53rd St., New York 10020.

Reviewed by Katherine Paterson

MOST of us will read about an earthquake in Central America... Lord is less helpful when it comes to idiomatic phrases...

Quite a Task The death of the slave girl is the opening dramatic event in Bette Bao Lord's first novel...

One device that Lord uses is an introductory section at the beginning of each chapter... The problem of language is not quite so gracefully solved...

Solution to Previous Puzzle

Grid solution for a crossword puzzle with words like PAINTER, TREAD, etc.

Katherine Paterson, whose novel 'Jacob Have I Loved' won the Newbery Medal this year...

BRIDGE

By Alan Truscott

Bridge game analysis including a hand diagram, scores, and commentary on a diamond play.

Art Buchwald

Political Pin Ball

WASHINGTON — One of the most fascinating things to watch in world politics is how once-militant governments suddenly become "moderate" ones...



Buchwald

"The white pins stand for 'moderates,' the red pins for 'militants,' the blue pins for 'freedom fighters' and the black pins for 'fanatical militants.'"

They were fighting for their independence, the U.S. considered them 'freedom fighters' and was giving them aid.

"You don't have any pin in Iraq," I said. "Iraq presents a problem. They're fighting Iran, and being supplied by France, Italy and the Soviet Union."

Furniture: Looking Back, Way Back

By Suzanne Slcsin

The postmodern movement — and its sometimes witty references to the classical past — has encouraged several European designers to reach even further back in time.



Elizabeth Garouste with troglodyte lamp, 11-legged table.



Stab-like papier-mâché screen is lighter than it looks.

Neither Garouste, 34, nor Bonetti, 28, has prior experience in furniture design. Garouste studied decorative arts and worked with her husband, Gérard, on the design of the Privilège, one of Paris's most popular nightclubs.

It is difficult to judge the reaction the furniture will get. To some it is bound to look strange, if not downright unattractive.

"Most of the pieces use a common iron module that is then oxidized and aniline-dyed to produce the green patina," Garouste said.

PEOPLE: John McCloy Is Awarded First Jean Monnet Prize

John J. McCloy, former World Bank president and U.S. high commissioner to post-World War II Germany, was awarded the first Jean Monnet Prize in Lausanne.

Brazilian President João Figueiredo, 63, flew home from the United States, where he underwent extensive heart tests in Cleveland.

Arthur Hartman arrived in Moscow only a week after taking over his post as the new U.S. ambassador and already his parrot can say "khorosho," Russian for "good."

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